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ILLINOIS RIVER RAILROAD COMPANY.

THE LIBRARY

Chief Engineer's Report,

WITH THE

Charter, Forms of First Mortgage Bonds,

AND OF THE

FIRST MORTGAGE, OR DEED OF TRUST;

WITH

OPINIONS OF COUNSEL.

ALSO, THE

RUNNING ARRANGEMENT

WITH THE

CHICAGO AND ROCK ISLAND RAILROAD.

New York:

BAKER & GODWIN, STEAM PRINTERS

PRINTING-HOUSE SQUARE, OPPOSITE CITY HALL

1858.

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ILLINOIS HISTORICAL SURVEY

ILLINOIS RIVER RAILROAD.

Chief Engineer's Report,

PRESENTING

CHARACTERISTICS OF LOCATION AND CONSTRUCTION,

WITH

Statistics and Estimate of Probable Revenue,

AND

MAP SHOWING ITS POSITION AND CONNECTIONS,

TOGETHER WITH

CHARTER, FORM OF BOND AND MORTGAGE, &c., &c.

NEW YORK:
BAKER & GODWIN, PRINTERS,
PRINTING-HOUSE SQUARE, OPPOSITE CITY HALL.
1858.

Present Officers of the Company.

DIRECTORS

WM. THOMAS,	. . . . .	<i>Morgan County.</i>
R. S. THOMAS,	. . . . .	<i>Cass</i> “
J. M. RUGGLES,	. . . . .	<i>Mason</i> “
B. S. PRETTYMAN,	. . . . .	<i>Tazewell</i> “
J. WAGENSELLER,	. . . . .	“ “

R. S. THOMAS,	. . . . .	PRESIDENT,	. . . . .	<i>Virginia, Cass Co.</i>
B. S. PRETTYMAN,	. . . . .	VICE PRES'T,	. . . . .	<i>Pekin, Tazewell Co.</i>
FRANCIS LOW,	. . . . .	TREASURER,	. . . . .	<i>Havana, Mason Co.</i>
M. H. L. SCHOOLEY,	SECRETARY,	<i>Virginia, Cass Co.</i>
J. B. CUMMINGS,	CHIEF ENGINEER,	<i>Pekin, Tazewell Co.</i>

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TO THE STOCKHOLDERS.

OFFICE OF THE ILLINOIS RIVER RAILROAD Co. }

PEKIN, November 1, 1858. }

It is with pleasure that I have it in my power, officially to announce to the stockholders of the Illinois River Railroad Company, that since the annexed report of the Chief Engineer of the road was made, bearing date September 10, 1858, I have concluded a sale, upon terms entirely satisfactory to the Board and such of the Stockholders as have been made acquainted with the terms of the contract, to an amount sufficient to purchase for cash, all the Rails, Chairs, Spikes, Frogs, and Switches, that are required to complete the road from the junction of the Peoria and Hannibal Road, to Jacksonville, in Morgan county.

The rails are now being purchased *for cash* at the present low rates, and are to be delivered by the opening of navigation.

And as the road is required to be completed through the entire length above designated, by the ensuing autumn, the duty of the stockholders in meeting with promptness their installments, so that the bed of the road may be ready for the iron as fast as the latter shall be received, will be apparent to all.

I have the additional pleasure of announcing that a most advantageous and permanent running arrangement has been entered into between the Chicago and Rock Island Railroad, and our own, by which, among other decided advantages, we secure

all our rolling stock and motive power, without incurring a dollar's indebtedness for the same.

By the terms of this latter arrangement, the rolling stock is to be placed upon the road as fast as we have ten consecutive miles completed.

All which, is respectfully submitted,

RICHARD S. THOMAS,
President Illinois River Railroad Company.

Chief Engineer's Report.

Illinois River Railroad Company, }
CHIEF ENGINEER'S OFFICE, }
PEKIN, September 10, 1853. }

*To the President and Directors
of the Illinois River Railroad Company:*

GENTLEMEN—

THE following REPORT, made in accordance with your instructions, is respectfully submitted. It is intended to present in as brief and comprehensive manner as possible, the characteristics of the Illinois River Railroad, as regards location, cost of construction, connections with other lines of railroad; together with statistics of the counties and towns through which it passes, and an estimate of its probable business and revenue when opened for traffic.

The Illinois River Railroad, by its charter, extends from Jacksonville, in Morgan County, to Lasalle, Lasalle County, Illinois; but for the present, its northern terminus will be at the junction with the Peoria and Hannibal Railroad, two miles north of Pekin, and about seven and a half miles south of Peoria. The agreements between the two companies are such, that it may be considered virtually one line of road from Peoria to Jacksonville.

From Peoria to the Junction the line is very direct, crossing but one stream and encountering no heavy work. This portion of the Peoria and Hannibal Railroad is ready for track, with the exception of the bridge across Kickapoo Creek.

From the Junction to Jacksonville, the characteristics of the line are as follows :

A L I G N M E N T .

From the Junction to the city of Pekin, the line crosses the Illinois river-bottom for about two miles by embankment and piling, and the Illinois river by a bridge consisting of a draw-bridge and fivespans of truss bridging. From Pekin to Jacksonville, the line may, for all practical purposes, be considered straight ; the curves being, in nearly every case, at the towns on the line of the road and points where maximum speed would in no case be required.

Of the seventy-five miles of road, over sixty-six miles is in straight line, and over eight miles of the balance in curved line that practically would be but little inferior to straight line for operating ; and with exception of the approaches to the Illinois river bridge and two short curves between Virginia and Jacksonville, there are no curves of less than two degrees or 2,865 feet radius.

The line passes through the city of Pekin, towns of Havana, Bath, Chandlerville, Virginia, within one and a half miles of Arcadia, in Morgan County, and connects at Jacksonville with the Jacksonville, Alton, and St. Louis Railroad.

G R A D I E N T S .

The grades on fifty-nine miles of the road vary from level to thirty feet per mile : there being twenty-two miles of level grade ; and over twenty-four miles additional, less than twenty feet per

mile; the balance varying from thirty to sixty feet per mile, about equally divided between ascending and descending grades, the preponderance being rather in favor of northern transportation. It will be practicable to reduce the extreme gradients whenever the demands of traffic and the interests of the Company require, at moderate expense.

Nearly all the grades of over thirty feet per mile, are on that portion of the road south of Sangamon river, and there is no grade of over forty feet per mile, of greater length than three quarters of a mile in one consecutive piece.

EXCAVATION AND EMBANKMENT.

There will be twenty-three miles of cuttings, and fifty-two miles of embankments. The great excess of embankment will keep the road-bed free from snow in winter; and the cuttings being few in number and in nearly every case short, gives ample facility for thorough drainage. The width of the banks is fifteen feet and of cuttings twenty feet, at grade line, generally with slopes of one and a half horizontal to one vertical.

MATERIAL.

There is no rock excavation or indurated earth on the line of the road, the whole earth work coming under the head of "common excavation." The general character of the material on the line of the road is sandy loam, of itself very good for laying superstructure without ballasting.

There are several fine gravel pits on the line between Pekin and Sangamon river, fifty miles; and wherever any better than the natural surface is required, ballast of the best quality can be procured within moderate distance.

From Sangamon river to Jacksonville, the character of the soil is less suitable for road-bed without ballasting; but there are several gravel and sand pits on this portion of the line, and no ballasting would require to be hauled over ten miles. Fifty miles of the road without ballasting, would be equal to any road in the Western States for running. The sandy nature of the soil,—absorbing rains and obviating, in a great measure, the effects of the frost, which make so many of our Western roads not only difficult and expensive to keep in repair, but dangerous to ride over in the spring and winter seasons,—together with the superior features of line and grade, warrant us in asserting that this road will be one of the cheapest roads in the country to operate and keep in repair.

BRIDGES.

The bridge across the Illinois river is to be built on the plan of Howe's improved patent truss; consisting of a drawbridge of two hundred and ninety-two feet span, and five spans of one hundred and fifty feet each, making a total length of bridge of 1,076 feet. The masonry is of the first quality, and built in the best manner. The superstructure, with exception of the floor beams and track stringers, is to be planed and painted with three coats of the best oil paint. The bridge at Mackinaw river will be one span of one hundred and fifty feet, and at Sangamon river there will be one span of one hundred and seventy feet, built on the plan of McCallum's patent inflexible arched truss. All of the bridges will be built of the very best materials, and in the most thorough and workmanlike manner.

CULVERTS, TRESTLE WORK, PILING, ETC.

In consequence of the absence of building-stone on the line of the road, timber structures will be used south of Pekin; but in all cases the material used is of the best quality, and of a plan

to substitute stone when necessary to be renewed. There will be about a mile and a half of pile bridging on the Illinois, Mackinaw, and Sangamon river-bottoms, and several pieces of trestle work, built on pile foundations, in Cass and Morgan counties.

S U P E R S T R U C T U R E .

The track will be composed of "T" rail, weighing fifty-four to fifty-six pounds per lineal yard, resting upon cross-ties of eight inches face for intermediates, and twelve inches face for joint ties, secured by chairs of wrought iron, and the whole fastened with heavy spikes.

All the materials in track will be of the best quality, and laid in the best manner.

P R O G R E S S O F T H E W O R K .

The work from the Peoria and Hannibal Junction to Pekin is far advanced, the embankment on the bottom being completed, and the pile work in progress.

There are four piers nearly finished, and the foundations for the balance are driven. Cofferdams, foundation timbers, &c., are ready; and nearly the whole superstructure of the bridge, including the drawbridge, turn-table, and iron, is on the ground. This portion of the work is being urged forward with the view of making early connection with Peoria.

South of Pekin the work is being vigorously prosecuted in Tazewell county. In Mason county the road is ready for track with exception of about one mile, at the north end of the county and at Sangamon river. The materials for the piling and bridges at Mackinaw and Sangamon rivers, are being delivered very fast, and the work is progressing favorably. South of Sangamon river, between Chandlerville and Virginia,

the work is progressing rapidly, and will soon be completed to Virginia. From Virginia to Jacksonville, fifteen miles, no work has been done as yet; but the surveys for final location are made, and the work will be commenced at an early day.

The distances through the several counties are as follows :

Peoria County, Illinois River Rail Road,	1.85 miles
Tazewell " do do	11.85 "
Mason " do do	36.57 "
Cass " do do	15.21 "
Morgan " do do	9.42 "
<hr/>	
Total Length of Road,	74.90 "
Peoria and Hannibal R. R. Junction to Peoria,	7.61 "
<hr/>	
Total, Peoria to Jacksonville,	82.51 "

Estimated cost from P. & H. Junction to Mason County	
line, N. E. Division, ready for Ties,	\$175,000 00
Amount of Estimates to Sept. 1st, 1858,	91,605 00
<hr/>	
Remaining to be done,	\$83,395 00
Length of N. E. Division,	13.70 miles
There is completed, ready for Ties,	6.00 "
<hr/>	
Remaining to be done,	7.70 "

Estimated cost of the Road in Mason County, ready	
for Ties,	\$120,000 00
Amount of Estimates to Sept. 1st, 1858,	84,472 00
<hr/>	
Remaining to be done,	\$35,528 00
Length of Line in Mason County,	36.57 miles
There is completed, ready for Ties,	35.75 "
<hr/>	
Remaining to be done,	0.82 "

Estimated cost of the Road in Cass Co., ready for Ties,	\$133,000 00
Amount of Estimates to Sept. 1st, 1858,	71,913 00
Remaining to be done,	<u>\$61,087 00</u>
Length of Line in Cass County,	15.21 miles
There is completed ready for Ties,	8.00 "
Remaining to be done,	<u>7.21 "</u>

Estimated cost of the Road in Morgan County, ready for Ties,	\$115,000 00
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Total Estimated cost of Road to Virginia, sixty miles, ready for Ties,	\$405,000 00
Total Estimates to Sept. 1st, 1858,	247,990 00
Estimated amount remaining to be done,	<u>\$157,010 00</u>
Total distance to Virginia,	60.27 miles
Completed ready for Ties,	49.75 "
Remaining to complete Road to Virginia,	<u>10.52 "</u>

Total Estimated cost of Road to Jacksonville, ready for Ties,	\$543,000 00
Total Estimates to Sept. 1st, 1858,	247,990 00
Remaining to be done,	<u>\$295,010 00</u>
Total Length of Road,	74.90 miles
Completed ready for Ties,	49.75 "
Remaining to be done,	<u>25.15 "</u>

ESTIMATE OF THE TOTAL COST OF THE ILLINOIS RIVER RAILROAD, FROM
PEORIA & HANNIBAL R. R. JUNCTION TO JACKSONVILLE, COMPLETE,
INCLUDING BUILDINGS, EQUIPMENTS, &c.

Graduation.

Clearing, Grubbing, Grading, and Bridging, North East- ern Division,	\$175,000
Mason County,	120,000
Cass County,	133,000
Morgan County,	115,000
	<hr/> \$543,000

Track and Materials.

180,000 Cross Ties, 50c.	\$90,000 ✓
7,000 Tons Iron, 2,240 pounds per ton, 54 pounds per yard, \$55,	385,000
48,000 Chairs, 35c.	16,800
200 Tons Spikes, \$100,	20,000
50 Switches, complete, \$75,	3,750
81 Miles Track laying, \$320,	25,920 ✓
81 Miles Distributing Materials, \$200,	16,200 ✓
	<hr/> \$557,670

Equipments.

8 Locomotives, \$9,000,	\$72,000
10 Passenger Cars, \$2,500,	25,000
5 Baggage and Mail Cars, \$1,500,	7,500
120 Freight and Box Cars, \$625,	75,000
8 Hand Cars, \$75,	600
	<hr/> \$180,100
Station Buildings, Engine Houses, Turn Tables, Machine Shops, Repair Shops, Tools and Fixtures, Ware- houses, &c., complete, from Pekin to Jacksonville,	\$60,000
Right of Way and Depôt Grounds,	10,000 ✓
Engineering and contingencies,	25,000 ✓
	<hr/>
Total Cost of Road complete,	\$1,375,770
Average cost per mile, complete,	\$18,300
Average cost per mile of graduation,	\$7,200

The above estimates contemplate first-class work and equip-
ments, and include six miles of side tracks. The equipment

estimated for, is larger than necessary for the business of the road when first opened, and may be reduced by taking off two locomotives, two passenger cars, one baggage and mail car, and twenty freight cars, which would make a reduction in estimated expenses of equipments of \$37,000

On Station Buildings, Engine-houses, &c., a reduction

may be made at first of \$30,000

Making a total reduction of \$67,000

Which would reduce the total cost of road, complete,

when first opened, to \$1,308,670

And the average cost per mile to \$17,450

These estimates are made from reliable data ; and on a large portion of the work done, final measurements are included in above estimates. It is believed that the whole cost of graduation will not exceed the estimate.

Iron can be bought for cash, at the present time for about \$44 to \$46 per ton in New York, and if purchased now, would not cost much over \$50 per ton, delivered on the line of the road.

The items of station-houses, &c., &c., include all necessary buildings and fixtures for the complete repairs of all the motive power of the road, cars, &c., and building grain-houses for storage.

The other items are believed to be *liberally* estimated ; and unless some contingency arises, wholly unexpected and not to be foreseen, the total cost of the road will not exceed the amount above stated.

RESOURCES OF THE ROAD.

To pay for the graduation of the road, estimated as above at \$543,000, and prepare it for iron, which would include a further expense of \$90,000 for cross ties, the company have a stock and bond subscription as follows :—

Pekin City 8 per cent. bonds,	\$100,000
Tazewell County and Pekin private subscriptions,	103,000
Mason County 8 per cent. bonds,	100,000
Havana town bonds, 8 per cent.	15,000
Private subscriptions in Mason County,	85,000
Cass County 8 per cent. bonds,	50,000
Private subscriptions in Cass County,	97,000
Morgan County 6 per cent. bonds,	50,000
	<hr/>
	\$600,000

The private subscriptions in Morgan County are small in amount, no exertions having yet been made to obtain subscriptions, owing to the unprecedented panic in all business during the past year. It is believed that with the present flattering prospects of the early completion of this road, and its recognized importance to Morgan County, and Jacksonville particularly, a subscription can be raised in Morgan County, and City of Jacksonville, of

	75,000
	<hr/>
Total,	\$675,000
Total cost of Graduation, including Ties,	633,000
	<hr/>
Leaving a surplus, as above, of	\$42,000

It will be seen that in our resources are included \$315,000 of county and town bonds; \$246,000 of these bonds are to be paid to contractors at par, which leaves the company \$69,000 of bonds to dispose of outside of payments to contractors. The private subscriptions amounting to \$285,000, exclusive of the estimated subscription in Morgan County, are divided between nearly 800 individual subscribers, generally farmers on the line of the road, who took stock, not simply with a view to its paying them back in dividends, but also securing incidental benefits to as great if not greater extent, than the amount of their subscriptions. They are all able to pay; and the only drawback upon collecting at once the whole amount of subscriptions unpaid, is the inability of all classes to meet every contingency in the present unprecedented derangement of business affairs.

With the rigid economy that has been used in every department, and the fact that the whole community on the line of the road is so generally and deeply interested in the success of the

enterprise, there seems to be no reason to doubt the speedy completion of the road.

The work on this road has been pushed forward, at a time when almost every other road in progress of construction has been forced to suspend operations wholly, or greatly curtail expenditures; and the estimates to contractors, amounting at this time to \$242,000, have been paid in full.

With these facts in view, no one can doubt the ability of the Company to go on with the work to completion.

Thus far, *this Company have issued no notes, have no obligations maturing or falling due other than the monthly estimates to contractors and incidental expenses*, and, taking all the facts and circumstances into consideration, presents a case of freedom from financial embarrassment almost unprecedented in the history of railway construction in this country. Certainly, when the stockholders and friends of the road consider what has already been done, in pushing forward this work during the late panic, more general and disastrous than has ever occurred since railways were first commenced, they cannot fear for the result, but should take fresh confidence, and make new exertions to meet the demands upon them.

The officers of the Company are confident that the resources from subscriptions will complete the road, ready for the rails; and once ready, no difficulty will be found in procuring iron.

To provide for the purchase of iron, equipments, &c., mortgage bonds will be issued, and with the completion of the grading and providing cross-ties from subscriptions, there is no reason to doubt that the iron, &c., can be obtained with the bonds.

From the foregoing facts it is made certain that, with the completion of grading and providing cross-ties, the iron, &c., can be obtained, and with proper exertion the whole road, as far as Virginia, can be ready for the rails, and the track laid by May 1st, and completed to Jacksonville by September 1st, 1859.

CONNECTIONS WITH OTHER LINES OF RAILROAD
AND THEIR ADVANTAGES.

The Illinois River Railroad will form, in connection with the Peoria and Bureau Valley, and Rock Island Railroads on the north, and the Jacksonville, Alton and St. Louis Railroad on the south, a through line from Chicago to St. Louis. Also, with the proposed connection with the Jacksonville and Savanna Railroad, an air-line road from Galena to St. Louis.

The Peoria and Bureau Valley road is leased by the Rock Island Road, making one line from Chicago to Peoria. The construction of the Illinois River Railroad, cannot fail to be of great value to the Rock Island road, being in fact an extension of the Peoria and Bureau Valley road; and it will be one of the most valuable connections to the Rock Island Road that could be made.

Large amounts of freight from Chicago and points on the different lines of railroad centering at Peoria, take the river at that place for shipment to the towns on the Illinois river and the interior of the bordering counties. With the completion of the Illinois River Railroad, freights from any connecting roads would not have to be transhipped for any points on the line of that road; but could be taken from the place where loaded to their destination without breaking bulk, saving charges of handling and storage. Supplies of coal, stone, merchandise, &c., destined for the towns and interior of the counties on the line of the road, could be forwarded by railroad cheaper than in any other way.

A large amount of revenue would be derived from the transportation of coal, and stone for building purposes. There are several fine quarries on the west side of the river between Peoria and Pekin, from one of which the stone is obtained for the railroad bridge at Pekin. This stone is of fine quality and could be advantageously shipped by the railroad to the various points on its line. There is no stone between Pekin and Jacksonville, fit for building

purposes; and it is believed that these quarries would give a large amount of business to the road.

Ice, also, would be an article of transport. At present, large quantities of ice cut at Peoria and Pekin, are shipped by river to St. Louis and southern points.

By shipping this ice by rail a saving would be made, not only in expense of boats and towage, but also in loss from melting, as often the river is not high enough to take the ice down until the spring is far advanced.

The transportation of coal, before referred to, will be a source of great revenue to the road. The supply is inexhaustable, and the quality equal to any in the State.

The scarcity of wood-lands, and their annually increasing value, render it certain that coal must be substituted for wood to the largest available extent.

By this road the best stone-coal could be taken to Jacksonville, and sold there for twelve cents per bushel; and this would secure a large trade without any competition. When this trade is opened it will rapidly increase, and prove profitable to both consumers and shippers. Shipments of grain for Chicago and St. Louis, from all points on the line of the road, would be made by the railroad nearly the whole of the year.

From Pekin and towns on the river, as far as the railroad would come into competition with the river, the charges for transporting wheat to St. Louis by the river, at a good stage of water, has averaged for a series of years from seven to twelve cents per bushel; corn from five to ten cents; and in low water, from twelve to twenty-five cents per bushel for wheat, and ten to twenty cents per bushel for corn. From St. Louis to above points, merchandise is shipped, in good stage of water, at from twelve to twenty-five cents per hundred pounds, and in low water, from twenty-five to seventy-five cents. The results upon the great lakes, and even the Erie Canal, where the uncertainties of high and low water are not experienced, warrant us in

believing that there need be no fear of successful competition with the river navigation. The Rock Island Railroad has competition with the Illinois and Michigan Canal for eighty-two miles, and when it was completed for 100 miles from Chicago, its freight business was heavy, and its receipts were over \$60,000 per month.

The average length of the season of navigation on the Illinois River for the past six years, has been about six months in the year. During seasons of extremely low water, and in the winter, communication by river and canal is closed, and produce cannot be forwarded with reasonable cost. It often occurs that for a long time the river is too low for making shipments of produce when the market is good and prices high, and the farmers and shippers are obliged to keep their grain, &c., for weeks, and sometimes months, waiting for an opportunity to forward their produce to market; while those who have the facilities of railroad communication can take advantage of the markets at the most profitable times, and save large amounts in prices. It would be difficult to estimate the actual loss to the farmers of the counties of Tazewell, Mason, Cass, and Morgan, every year, from inability to send their products to market when the demand and prices are greatest; but it is believed that with the facilities the construction of the Illinois River Railroad will afford, the actual benefit in dollars and cents from these facilities would soon amount to more than the whole individual subscription to the road.

With increase of facility for disposing of products, will also increase their amount; large tracts of land, now unimproved, will be put under cultivation; and from the invariable result attending the construction of railroads in the Western States, the value of property, whether in town or country, will be immensely increased.

As a through line from Chicago to St. Louis, it is not claimed that in distance this line will be shorter than any other, for it

exceeds considerably the length of the Chicago, Alton, and St. Louis Railroad; but from its light grades, great proportion of straight line, unsurpassed quality of road-bed, with new iron, new equipment, and passing through so many places of business importance, it is claimed that a large share of all through freight and passenger business would take this line between Chicago and St. Louis. The time could be made on this route as quickly as by any other between the two points; and occupying, as it will, the middle of the chain, the Illinois River Railroad would have the influence of connecting roads in its fullest sense to create and obtain business.

Chicago and St. Louis must ever be the great centers of business for the West; and any line of railroad giving direct communication between these places must necessarily derive a large amount of business from them direct. To show that the Illinois River Railroad is so situated as to command a large share of this business, it is only necessary to refer to the map accompanying this report.

At Peoria, a connection will be made with the Peoria and Oquawka Railroad, extending from Peoria by way of Galesburg to Burlington, on the Mississippi river. This must prove a valuable connection to the Illinois River road.

At the Bluffs, two miles from Pekin, connection is made with the Peoria and Hannibal Railroad running from Peoria to Hannibal, Missouri. This road, for many miles from the Junction, passes through the coal and stone region previously referred to.

At Pekin, a connection will be made with the Wabash and Mississippi Railroad, to be built from Lafayette, Indiana, to Keokuk and Warsaw, on the Mississippi river. The Peoria and Hannibal, and Wabash and Mississippi roads, are in progress of construction.

The Jacksonville and Savanna Railroad will probably connect with the Illinois River road, at or near Havana. This road is under contract from Liverpool, on the Illinois river, ten miles

north of Havana, to Lafayette in Stark County, a distance of fifty-two and a half miles, crossing the Peoria and Oquawka Railroad at Yates city, and will cross the Chicago, Burlington, and Quincy Railroad, at Galva or Kewanee. From one or the other of these points it will be built to Galena by way of Fulton and Savanna. An amendment to its charter extending the line to Galena, authorizes the use of the grading done on the line of the old Illinois Central Railroad, under the internal improvement system of 1836-7. From Galena, a road is proposed to Prairie du Chien, thus making the shortest line of railway between these points and St. Louis that can ever be made.

With the arrangements perfected, now contemplated by the Jacksonville and Savanna Railroad, there would be but about thirty miles of road to be provided for between Liverpool and Fulton on the Mississippi river. Between Liverpool and Galena this line will cross four completed lines of east and west road, and three in progress of construction.

The present traveled routes between St. Louis and Galena, give a distance of nearly four hundred miles by river, and three hundred and fifty-seven miles by railroad. By this line of railway, the distance would be less than three hundred miles. The Rock Island and Peoria Railroad is completed for 12 miles from Rock Island, in the direction of Galva, so that the building of that portion of the Jacksonville and Savanna road between Havana and Galva or Kewanee, would leave but about thirty miles to be built between Rock Island and the latter points, to make almost an air-line road from St. Louis to Rock Island. The proportional saving in distance between Rock Island and St. Louis, by this line would be about the same as shown above between St. Louis and Galena.

With a line of railway in operation from St. Louis to Galena, avoiding the delays and dangers of river navigation, and saving nearly one fourth of the entire distance, running through so fertile and productive a portion of the State, no one can doubt

that this whole line of road from St. Louis to Galena, when its northern and western connections are perfected, will have an immense amount of business from Northern Illinois, Iowa, and Minnesota, in addition to the local business that its position would be sure to command. Leaving the river at Fulton, there would be no competition for way and local business, and no rival line could ever be built that would afford so direct and cheap a route from St. Louis and the South, to Galena and the Northwest. This line would pass, for a long distance, through the famous "Military Tract," and the surrounding country, for nearly its whole length, is of superior quality for agricultural purposes. Reference to the map accompanying this report, will satisfactorily illustrate the advantages of this connection.

At Jacksonville, the southern terminus of the Illinois River Railroad, a connection is made with the Jacksonville, Alton, and St. Louis Railroad, sixty miles in length, passing through Manchester, Whitehall, Carrolton, and Jerseyville, to Alton, on the Mississippi river. From Alton to St. Louis, the railroad connection is perfected. From a recent report of the Jacksonville, Alton, and St. Louis Railroad, we learn that the road is progressing rapidly, and there will probably be thirty miles of track laid from Jacksonville to Whitehall, this season, and the whole road will probably be completed to Alton by the time the Illinois River Railroad is completed to Jacksonville. With this connection made and both roads in operation, the most skeptical cannot fail to see that this line of road from St. Louis to Chicago, as a whole or in its separate links, will inevitably do a large business, and presents as favorable prospect of being a "paying stock" as any railroad in the State.

A connection will be made at Jacksonville with the Great Western Railroad of Illinois, extending from the Indiana State line to Naples on the Illinois river.

By reference to tabular statements of population, value of real and personal estate, &c., attached to this report, we find that

the counties through which the Illinois River Railroad passes, present larger averages of population and wealth than those on any other line of railroad in the State. They have, with exception of Mason, which is comparatively a new county, been long settled, are all rich and prosperous, yet capable of almost indefinite extension and increase in business and products; and as yet but two of them have had any facilities of railroad communication. Should the result of building this road, in business and receipts, compare with other roads in this State, in proportion as the averages of these counties to the counties on other lines of railroad, it would fully meet the expectations of the most sanguine friends of the enterprise. When the Galena and Chicago Railroad was commenced, an estimate of its probable revenue and business was made, and by many considered preposterous in its magnitude; but in two months only, of the year 1852, the amount, in tons, of one article of freight, exceeded the estimated amount of all kinds for a year. The estimated receipts of the whole line, from Chicago to Galena, were \$393,000; and in 1857 the actual receipts were \$2,117,900, including the Dixon Air Line, in all two hundred and fifty-nine miles.

It is not asserted that the Illinois River Railroad will do as large an amount of business, in proportion, as the Galena road; should it do so, the receipts in one year would be over \$600,000; but from the actual results of the building of different railroads in this State, we can approximate nearly to expected results in particular cases, giving due allowance to difference in position of roads, their capacity and availability for business requirements, and the characteristics of the country through which they pass.

In the year 1852, there were but ninety-five miles of completed railroad in the State of Illinois; at this time there are in operation nearly three thousand miles, and many roads in progress, nearly all of which are on a basis that insures their completion at an early date.

Immense tracts of land have been opened and brought into

cultivation that without railroads would have remained for years, perhaps ages, unproductive. Towns and cities have sprung up as by magic. The resources, wealth, and importance of the State increased so immensely that the mind can scarcely imagine what has already been done by railroads, much less foresee the future results when all these enterprises shall have arrived at maturity, and given to the State and the world their whole fruition. It is almost needless to go into argument to prove what will be, for what has been done can be seen, and affords almost proof positive of results yet to be accomplished. It is sufficient for our purpose, to suggest examination and inquiry, confident that the result will render any labored argument unnecessary.

DESCRIPTION, STATISTICS, ETC., OF THE COUNTIES AND TOWNS ON THE LINE OF THE ILLINOIS RIVER RAILROAD.

The following statistics were obtained, in nearly every case, from the county and town authorities, and are virtually official. When any other than these were needed, the facts were obtained from business men and others conversant with the actual amounts of the various products, shipments, prices, &c. ; and in every case the figures are rather under than over stated.

PEORIA, virtually the northern terminus of the Illinois River Railroad, is situated on the Illinois river, and, with exception of Chicago, is the largest city in the State. The population is about twenty thousand, and the city is rapidly increasing in wealth and importance. Several lines of railroad center here; and when her railway system is perfected, Peoria must inevitably be a place of great importance. Some of the statistics of this city for 1857, are as follows:

Shipments of corn (bushels)	2,000,000
No. of barrels flour	84,000
“ hogs	30,000
“ tons coal	80,000
“ ft. B. M. lumber	16,000,000
“ bushels oats	400,000
Value of lard	\$90,000
No. of bushels barley	20,000
“ “ wheat	650,000
“ tons bulk pork	500
“ gallons whiskey	5,000,000

The aggregate value of the business of 1857, was nearly six and one-half millions of dollars.

The bluffs on the west side of the river in Peoria county, extending for nearly thirty miles, afford the best quality of stone coal and good building stone, and the railroad passes directly by the entrances to several of the best mines. All the coal and stone wanted for the counties and towns on the line of the Illinois River Railroad, would naturally pass over the road, and would prove a large item in the receipts.

TAZEWELL COUNTY.

Tazewell county is one of the richest counties in the State, and produces large quantities of grain. The soil is productive and the county steadily increasing in wealth and business. From accurate returns of the statistics of this county for the year ending April 1st, 1858, we gather the following items:

Valuation of real and personal property	\$11,500,000
No. of acres land in county	425,000
“ “ “ in cultivation	320,000
“ “ timber land	60,000
“ “ unimproved prairie land	45,000
“ inhabitants	22,620
Value of manufactures	\$1,500,000

No. of bushels corn raised	5,500,000
" " wheat do.	1,800,000
" " oats do.	122,000
" " barley do.	14,000
" " coal mined in county	2,800,000

Nearly one-half the shipments of grain, &c., from Tazewell county are made from Peoria, which is not included in the statement of business from which the traffic estimated to be done by this road is made.

PEKIN, county seat of Tazewell county, is situated on the east side of the Illinois river, at the head of an extensive valley running south to the Sangamon river, and averaging twenty miles in width. This place is fast increasing in wealth and importance, and will give a large amount of business to the road. The city, in her corporate capacity, subscribed \$100,000 to the stock of the road, and the private subscriptions in the city and county, amount to over \$103,000. The number of individual subscribers is over three hundred, which evidences the general interest of the people in the road.

Some of the statistics of Pekin for 1857, are as follows:

Population	4,000
Valuation of real and personal property	\$1,200,000
Value of manufactures	\$650,000
Ft. of B. M. lumber imported	5,000,000
No. of hogs packed	10,000
" bushels corn shipped	1,500,000
" " barley "	6,000
" " wheat "	350,000
" barrels flour manufactured	21,000
" " whiskey "	18,000
Value of merchandise imported	\$550,000
No. of bushels coal	1,000,000

The Illinois River Railroad will give to Pekin, and a large portion of Tazewell county, a means of transport for their products,

that have often been almost sacrificed by inability to get them to market at the proper time. The present season has shown the value of this means of transportation, as large amounts of grain, which would have been shipped from Tazewell county, have been kept from market by the extreme high water of the creeks and rivers, making it impossible to get to a shipping point with products. The amount lost in this season alone by the farmers of this county, from inability to take advantage of the market, would much more than pay the interest on the cost of the road in Tazewell county.

MASON COUNTY.

Mason, although comparatively a new county, is rapidly increasing in population and wealth. The general character of the soil is sandy loam, especially adapted to the growing of corn and grain generally. Some of the most fertile lands in the State are in this county, on the Sangamon bottoms. It has been believed by some, that near the river the general character of the lands is sandy and worthless for cultivation; but the proportion of sand-ridges so called, is in reality small, and large tracts are at this time being cultivate, and prove highly productive, that were considered worthless by careless observers but a few years since. The line of the road traverses this county from north to south, a distance of 36.57 miles, striking the river at Havana and Bath.

Mason county has subscribed \$100,000 to the stock of the Illinois River Railroad, and this amount comprises all her indebtedness. Fifty-six thousand acres of "swamp lands" are owned by the county, and these will be brought into market for sale at an early day, and being almost wholly of superior quality for agricultural purposes, will command a high price. The whole property and revenues of the county are pledged for the payment of the bonds above mentioned; and the county authorities have signified their intention of redeeming the bonds long before maturity, from the proceeds of the sale of the "swamp lands."

The town of Havana has subscribed \$15,000 to the road, in her corporate capacity, and the individual subscriptions in the county amount to \$85,000, divided among over three hundred stockholders.

The statistics of Mason county for the year 1857, are as follows:

Population	14,000
Valuation of real and personal property, 1857, .	\$2,517,428
" " " " 1852, .	\$997,114
Increase in five years	\$1,520,314
No. of acres "swamp lands," owned by the county, worth at least \$4 per acre .	56,000
No. of square miles in county	500
" acres of land	320,000
" " in cultivation	130,000
" " of unimproved land	130,000
" " timber land	60,000
" bushels wheat raised	900,000
" " corn do.	2,400,000
" " grain shipped over	2,000,000

HAVANA, county seat of Mason county, is situated on the Illinois river, thirty-one miles south of Pekin. It is fast increasing in population and wealth, and is a shipping point of considerable importance.

The statistics of Havana for 1857, are as follows:

Population	1,400
Valuation of real and personal property	\$283,000
No. of bushels wheat shipped	350,000
" " corn do.	700,000
" " other grain do.	50,000
" ft. B. M. lumber imported	4,000,000
Value of manufactures	\$100,000
" pork packed and shipped	\$50,000
" flour and other produce	\$50,000

BATH, situated on the Illinois river, nine miles south of Ha-

vana, is also a place of considerable trade and importance. Some of the statistics for 1857, are as follows :

Population	900
No. of bushels wheat shipped	100,000
“ “ corn do.	500,000
“ “ oats, rye, &c., &c.	100,000
Value of merchandise imported	\$150,000
No. of feet B. M. lumber imported	2,000,000

There are at Bath two steam flour-mills, two saw-mills, and several other factories of different kinds.

Several towns have been laid out on the line of the road in Mason county, that will be of considerable size and importance, and give large amounts of business to the road. A large increase in the products of the county will be caused by the improvement of over fifty thousand acres of “swamp lands,” before referred to. These lands are of superior quality, and when sold will be eagerly sought for by the farmers of this and neighboring counties. There are also eighty thousand acres of other now unimproved lands, large portions of which are being brought into cultivation ; and in a few years the products of this county will be more than doubled.

CASS COUNTY.

Cass is a very fine and rich agricultural county, equal to any in the State for grain, grass, and stock raising. It is rapidly increasing in population and wealth, and will be greatly benefited by the construction of this road.

The statistics of Cass county, for 1857, are as follows :

Population	11,000
Assessed valuation of real and personal property	
in 1852	\$1,521,200
Ditto, do. 1857	\$3,203,631
Increase in five years	\$1,682,431
Number of square miles in county	390

Number of acres of land	251,600
“ “ “ in cultivation	130,000
“ “ timber land	80,000
“ “ unimproved prairie	40,000
“ bushels corn exported	900,000
“ “ wheat do.	250,000
“ “ other grain do.	350,000
“ hogs sold	35,000
“ head fat cattle sold	5,000

This county has no indebtedness excepting \$50,000 subscribed to the stock of the Illinois River Railroad. The individual subscriptions amount to nearly \$100,000, and the number of stockholders is over two hundred. The county is largely interested in stock raising, and a large amount of business would be done by the road, when completed, in forwarding pork and cattle to market, that are now driven to the river, and to other roads, to find a shipping point.

CHANDLERVILLE, two miles south of Sangamon river, is a flourishing and beautiful place of about four hundred inhabitants. In 1857, there were shipped from this place thirty thousand bushels of grain: five thousand hogs were packed, about one million feet B. M. of lumber used; \$20,000 of manufactures, and \$75,000 worth of merchandise imported. From the position of this town, all its business of travel, import and export, would be done by the railroad, and the town increase rapidly in population and wealth.

VIRGINIA has a population of about six hundred; it is one of the pleasantest situations in the State; is in the center of the county, and the heart of a rich, extensive, and well-improved agricultural region; and with the facilities of railroad communication would be a place of considerable importance. There are one college and several other educational institutions located here.

BEARDSTOWN, county seat of Cass county, situated on the Illinois river, from its position, has been the business town of the

county; and produce from all parts of the county collects at this point for shipment. Nearly all the forwarding business of Cass county now done by the river, would be done by the Illinois River Railroad when completed, occupying, as it does, the center of the county, and by which the hauling of grain, &c., and driving stock over miles of heavy sand-ridges near the river, would be avoided. A large portion of the products of Cass county, shipped from Beardstown, crossed the line of the Illinois River Railroad to reach a shipping point. Some idea of the amount of this business may be formed from the following statement of some of the exports of Cass county from Beardstown in the year 1857 :

No. of hogs shipped	.	.	.	.	30,000
" hams cured	.	.	.	.	99,000
" bushels wheat shipped	.	.	.	.	200,000
" " corn do.	.	.	.	.	750,000
" " oats do.	.	.	.	.	275,000
" pounds lard	.	.	.	.	600,000
Aggregate value of business, 1857	.	.	.	.	\$2,246,595

It should be borne in mind that the year 1857 was a year of "panics" in business throughout the country; and that, generally, comparisons made from all business statistics for that year, are not as favorable as if drawn from the statistics for several years previous.

MORGAN COUNTY.

Morgan county is one of the richest counties in the State, in wealth and products. Great quantities of grain are raised, and stock raising is carried on to a great extent. Our statistics of this county are not as detailed and minute as could be wished; but it is known that there are few counties in the State that combine so many elements of wealth and developed resources as Morgan.

From statements for the year 1857, it appears	
that the valuation of real and personal property in the county is	\$6,932,614
Population in 1850 was	16,064
“ 1857	25,000

It is estimated that during the year 1858 there will be shipped from this county fifty thousand hogs, and over twelve thousand head of fat cattle. The farmers of Morgan county purchase large numbers of stock cattle from the adjoining counties in the fall of each year, and feed them for the ensuing spring and summer markets.

Large quantities of corn and wheat are raised and shipped from this county, the statistics of which we have been unable to obtain; but it is safe to set them down as larger than for Cass county.

Morgan county subscribed \$50,000 to the stock of the Illinois River Railroad; and the private subscriptions, though small in amount, we are sanguine of increasing to \$75,000, when it becomes evident, as it must, to the citizens of Jacksonville and Morgan county, that the Illinois River Railroad, with its connecting link, the Jacksonville, Alton, and St. Louis Railroad, will be the most valuable public work that could be engaged in for the business and wealth of both that city and county.

JACKSONVILLE is one of the pleasantest and most beautiful places in the West, and bids fair to be one of the most important in size and wealth. The State has located here, a Deaf and Dumb Asylum, Asylum for the Blind, and Insane Asylum. There are also four colleges and seminaries, and several fine schools, all costly and splendid structures. From the statistics for 1857 we gather the following items :

Population in 1857	7,500
Valuation of real and personal property	\$2,000,000
Value of merchandise sold	\$600,000
Number of bushels wheat shipped	160,000

Number of hogs	22,770
Feet B. M. lumber imported	4,500,000
No. of barrels flour exported	8,000

There are two founderies and machine shops, three steam flour-mills, one oil-mill, one woollen-factory, and three banking houses.

The progress of Jacksonville, when the proposed system of railroads centering there is perfected, will be rapid; and her position, the character of her people, and the excellence of her institutions, will make her one of the most important places in the State.

The following tabular statements of population and valuation of real and personal property, of the different counties traversed by the various lines of railroad in the State of Illinois, are compiled from statistics published by the Auditor and Secretary of State. As many of the roads mentioned are east and west roads, with connecting lines both east and west, the relative proportions of averages would not be fairly applied if used to show through-business; but for local and way business, both freight and passenger, they will serve as an approximate basis from which to judge of the relative merits of lines in progress, in these respects. Taking from the aggregates of population and valuation, that of Cook county, which gives a more equal representation to those lines which do not derive business direct from that county, it will be seen that the valuation and population of the counties through which the Illinois River Railroad passes (Peoria to Jacksonville) show larger averages than for any other line of road in the State, and that the next highest averages are found on the direct connecting lines.

The through lines from Chicago to St. Louis compare as follows: by way of Peoria exceeding the averages by way of Springfield in population over twenty per cent., and in valuation about ten per cent., this including Cook county; but the portion of the line from Peoria to Jacksonville largely exceeding the average of the whole line.

In the tabular statements, where several lines of railroad pass through the same county, the same aggregates are made use of for each road; and as the local and way business is necessarily divided between several roads in many of the counties, we can claim that the average of the counties through which the Illinois River Railroad passes, and which have no other line of railroad to support or use, may be fairly applied to estimate the probable business of the Illinois River Railroad in comparison with the averages of other lines of road completed, so far as regards the local and way business.

There is, to be sure, the river to compete with for a portion of the distance, and a portion of the year; but this competition, it is confidently believed, will not affect materially the comparison now made; and, from the invariable result of the creation and increase of business from the construction of railroads, but a short time will elapse before the present data for calculation and comparison will be far too limited in extent.

STATEMENT

Showing the population of the counties through which the lines of railroad named below run, according to the census of 1855; and comparison of average population per mile of road on the several lines.

Line of Railroad.	Length of road. Miles.	Population of Counties, 1855.	Average per mile of road.	Average, after deducting pop. of Cook Co.
From Chicago to St. Louis via Peoria.....	327	340,910	1,042	732
“ Peoria to St. Louis.....	167	135,880	820	820
“ Chicago to Peoria.....	160	235,664	1,473	826
“ Peoria to Jacksonville, Ill. Riv. R. R.	82	81,961	1,000	1,000
“ Chicago to Rock Island.....	182	215,965	1,192	615
Galena road, including Dixon air line, and from Freeport to Dunleith.....	332	280,693	845	533
Galena road proper, includ. Dixon air line.	259	256,589	990	590
From Chicago to Burlington.....	210	249,833	1,190	695
“ Chicago to Dunleith.....	215	231,467	1,076	550
From Chicago to St. Louis via Springfield.	285	242,521	851	477
“ Chicago to Quincy.....	268	286,920	1,070	608
“ St. Louis to Terre Haute.....	208	99,033	476	476
“ St. Louis to Vincennes.....	147	67,801	461	461
Illinois Central Railroad.....	704	412,483	586	436

STATEMENT

Of valuation of property assessed for taxation in 1857, in the several Counties through which the lines of railroad named below run, and comparison of the average valuation per mile of road on the several lines.

Lines of road referred to.	Length of road. Miles.	Valuation of property.	Average amount per mile of road.	Valuation after deducting Cook County.	Average amount of valuation per mile of road, deducting Cook Co.
From Chicago via Peoria to St. Louis.....	327	\$117,636,652	\$395,715	\$71,976,319	\$220,111
From Peoria to St. Louis...	167	43,336,019	259,377		259,377
“ Chicago to Peoria....	160	84,167,071	526,044	38,487,538	240,547
“ Peoria to Jacksonville.	82	22,195,930	270,682		270,682
“ Chicago to R’k Island.	182	82,364,808	452,554	36,684,465	201,563
“ Galena R. R., includ- ing Dixon air line ..	259	85,622,495	330,589	39,942,162	154,217
“ Chicago to Burlington	210	87,555,777	416,932	41,875,404	199,405
Chicago via Springfield and St. Louis.....	285	98,863,404	346,888	53,183,071	186,607
Chicago to Quincy.....	268	98,910,762	369,070	53,230,429	194,889
St. Louis to Vincennes.....	147	19,313,379	131,384		131,384
“ to Terre Haute....	208	30,411,169	146,207		146,207
Illinois Central R. R.	704	144,879,385	205,994	99,199,052	140,908

The following tabular statement of receipts, &c., of some of the principal railroads in Illinois, is made from the official returns of the roads. The comparisons would be more satisfactory if some other lines of road could have been included; but in the absence of a general system of reports, it is difficult to obtain reliable information. It is thought, however, that the general comparison would not be materially changed, were every completed road in the State to be included in the statement.

It is regretted that the cost per mile of these roads, could not have been shown in the statement; which would go far to explain why some roads with large receipts do not pay dividends to stockholders. In other words, it is not for want of business that many of the roads do not pay the stockholders, but rather on account of their financial errors.

FOR THE YEARS 1855, 1856, and 1857.

Name of Road.	Length of road, in miles.	Receipts from passengers.	Receipts per mile from passengers.	Receipts from freights.	Receipts per mile from freights.	Receipts ex- from mails, &c.	Total receipts.	Average receipts per mile of road.	Number of through passen- gers.	Number of way passengers.	Average number per mile of road, through passen- gers.	Average number per mile of road, way passengers.
Galena & Chicago and Dixon air line.	1855	\$844,421	\$3,260	\$1,401,294	\$5,410	\$26,895	\$2,272,610	\$8,774	115,259	369,673	445	1,437
	1856	946,629	3,651	1,466,982	5,660	44,434	2,456,046	9,482	95,510	375,682	368	1,450
	1857	726,909	2,807	1,321,736	5,103	69,268	2,117,904	8,177	288,907			
Chicago, Burlington, & Quincy Railroad.	1855	432,570	2,403	810,063	4,500	13,221	1,255,854	6,976	56,925	196,480	316	1,091
	1856	486,909	2,699	1,119,784	6,220	21,336	1,627,029	9,079	30,296	306,287	168	2,040
	1857	592,565	3,292	1,280,523	7,114	26,498	1,899,586	10,553				
Chicago & Rock Island and Peoria and Bureau Valley R. R.	1855	728,966	3,183	570,712	2,492	27,550	1,327,029	5,795	74,417	295,753	346	1,291
	1856	798,699	3,487	931,805	4,069	21,200	1,751,704	7,649	62,635	327,480	274	1,480
	1857	742,960	3,244	882,304	3,852	55,967	1,681,101	7,341				
Illinois Central Railroad.	1855	693,049	1,105	630,934	1,006	208,135	1,532,118	2,443		651,749	925	
	1856	1,112,402	1,580	1,154,964	1,640	202,167	2,469,533	3,508		714,707	1,015	
	1857	1,064,978	1,512	1,037,988	1,474	190,998	2,293,964	3,258				
Chicago, Alton, & St. Louis, Joliet to Alton.	1856	442,434	2,011	523,806	2,380	32,069	1,000,000	4,545	28,313	217,194	128	987
	1857						998,309	4,537				
Quincy & Chicago R. R. (for 6 months in 1856).	1856	74,125	741	133,578	1,335	7,219	215,222	2,152	6,162	69,209	61	692
	1857	145,422	1,454	173,011	1,730	18,891	337,324	3,373				
Chicago and Milwaukee.	1857 (in Illi- nois.)	191,380	4,297	75,384	1,675	15,967	282,732	6,283				
Great Western R. R.	1856	138,749	792	186,406	1,065	13,751	338,907	1,936	19,776	95,170	112	543
	1857	217,431	1,242	213,152	1,212	15,462	446,047	2,649				
Total averages for 1857....	1,912	\$4,124,069	\$2,159	\$5,507,904	\$2,881	\$425,110	\$10,056,967	\$5,260				

GENERAL SUMMARY.

Having given in the foregoing pages, detailed and general features of the Illinois River Railroad, it now remains to gather from them calculations and facts, upon which an estimate of probable revenue can be based.

In the estimated cost of this road, no allowance is made for losses necessarily to be incurred in disposing of securities below their par value; which, if taken into account, would of course show the aggregate stock and bond cost to be above the cash estimate. The construction account should show the aggregate of all items of every kind; and to fairly show the prospect of any railroad paying dividends to the stockholders, estimates of net revenue should be based upon these facts, to wit, that a certain amount of interest must be paid annually on bonds, and that the remainder only, after deducting operating and other expenses, would be applicable to dividends on stock.

The estimated cash cost of the Illinois River Railroad, complete, is \$1,375,000; of this amount, \$633,000 is estimated as the cost of grading and cross-ties ready for the rails, and which is to be provided for from subscriptions, the balance by mortgage bonds. This would leave \$742,000 to be provided by sale of securities. To be sure and estimate high enough, we will assume that there will be an issue of first mortgage bonds to the amount of \$1,200,000, which is probably more than will be required, and that these bonds will bear ten per cent. interest annually.

This would give one item of \$120,000 annually, to be paid for interest on bonds.

Assuming the stock and county bond subscription to amount to \$675,000, and an issue of first mortgage bonds to be made to the amount mentioned, the total cost of the road in stock and bonds, would be \$1,875,000.

By reference to the tabular statements showing receipts, &c.,

of various railroads in the State of Illinois, it will be seen that the average receipts, per mile, on nearly two thousand miles of road, were \$5,260, which, if applied to the Illinois River road, would give, as annual gross receipts, \$394,000; and we believe that this would not be an over-estimate. Were we to assume that the earnings of this road would compare with other lines of road in this State, in proportion to the averages of population and wealth, as shown by the tabular statements, they would far exceed the amount derived by taking the average, per mile, of the roads, which sustains us in the above conclusion.

By the table of valuation we find that the average valuation per mile, of all the lines of road mentioned, is \$195,492, while the average valuation of the Illinois River road, per mile, is \$270,682, and the average population, per mile, on all the lines mentioned, is six hundred and twenty-five, while the average on the Illinois River road, is one thousand. From this, it appears that the Illinois River road exceeds the general average, in valuation thirty-eight and a half per cent., and in population sixty per cent., excluding in each case the valuation and population of Chicago and Cook county.

To arrive at an estimate of business for this road, we will first consider the passenger traffic.

From Chicago to St. Louis, there are two main lines of railroad, the Chicago, Alton, and St. Louis, and by way of the Illinois Central; also, a route by way of Peoria and the Illinois river. From Peoria there are two railroad routes, by way of Peoria and Oquawka Railroad, and connections with the Chicago, Alton, and St. Louis, and Illinois Central roads. It is claimed that the route by the Illinois River Railroad will take a large share of all through travel between Chicago and the north, and St. Louis and the south, and nearly if not all that would go by way of Peoria, from the different lines of travel that center there, and points on the line of the Rock Island road and its connections.

The number of through passengers between Chicago and St.

Louis, carried by the Chicago, Alton, and St. Louis Railroad in 1857, was over twenty-eight thousand. We have not accurate returns from the other routes, but estimate the number by all routes to have been at least fifty thousand. From Peoria and points on connecting lines of railroad with the northwest and the Mississippi river, travel from which would naturally take the route by way of the Illinois River road when completed, we estimate that twenty thousand passengers pass over the different routes to and from St. Louis and the South, annually. From Jacksonville and points between that and St. Louis, and from the river towns south of the Illinois River road, at least fifteen thousand passengers annually pass over the various routes to Peoria, Chicago, and points north and northwest of this road, a large portion of whom would naturally take this route.

These items give an aggregate of eighty-five thousand passengers, a large portion of whom would certainly take the route by way of the Illinois River road.

It is believed to be a fair estimate to claim that this road when completed, and with its connections perfected, will carry thirty thousand through passengers annually.

To arrive at the way travel, we have comparison with several other lines of road. By reference to the tabular statement, we find that on the Galena and Chicago Railroad, the average number of way passengers per mile of road in 1857, was one thousand four hundred and fifty.

On the Chicago, Burlington and Quincy Railroad,	.	.	2,040
“ Chicago and Rock Island Railroad,	.	.	1,430
“ Chicago, Alton, and St. Louis Railroad,	.	.	987

Which gives a general average of nearly one thousand five hundred way passengers per mile of road. Applying this average to the Illinois River Railroad would give an aggregate number of one hundred and twelve thousand five hundred way passengers annually.

When we consider that the way travel for this road is to be derived, in addition to way passengers, from connecting lines and other sources, from Peoria, Pekin, Havana, Bath, Chandlerville, Virginia, and Jacksonville, all places of importance, and with a large aggregate business population; the above result is even below what might fairly be claimed for this road.

It is considered, in view of the facts, that we can justly claim the average, one hundred and twelve thousand five hundred as the number of way passengers annually over the Illinois River road, and we estimate that the average length of road passed over by each will be twenty miles.

For express, mail, and incidental receipts, other than from passenger and freight traffic, the average per mile of the roads mentioned in the tabular statement, is over \$2,200, which, if applied to this road, would give \$16,500 annually.

FREIGHT TRAFFIC.

By the tabular statement before referred to, we find that the average receipts per mile from freights on the roads mentioned, is \$2,881; which, as a basis, would give this road, as receipts annually from that source, \$216,000, which is much less than we can fairly claim.

From the statistics of the counties and towns on the line of this road for 1857, we gather the following summaries.

No. of Bushels Wheat shipped,	1,950,000
" " Corn, " . . .	6,500,000
" " Other Grain, " . . .	1,426,000
" " Coal, " . . .	3,000,000
" Barrels of Flour, . . .	122,000
" Ft. B. M. Lumber (excluding Peoria),	17,500,000
" Barrels Whiskey, . . .	138,000
" Hogs Packed, . . .	130,000
" Fat Cattle Sold, . . .	17,000

From the above statistics, and taking into consideration the availability of the Illinois River Railroad as a channel through

which will pass a large portion of the business to be done in and for the counties and towns through which it passes, the following estimate of its probable revenue has been made, and is presented in full confidence, that although in detail it may show inaccuracies, yet, as a whole, it will prove to be rather an under than over estimate of the revenue of the road, when completed and in operation.

The opinions of, and information derived from, business men and others conversant with the amount of business to be done in the section of country through which this road passes, would justify a larger estimate; but our desire is to be on the safe side, and to make no assertions or present any statements as facts that are not self-evident.

ESTIMATE OF REVENUE.

Passenger Traffic.

30,000 Through Passengers, \$2.25,	.	.	\$67,500
112,500 Way Passengers, 80c.	.	.	90,000
			<hr/>
			\$157,500
For Mails, Express, &c., say	.	.	10,000

Freight Traffic.

750,000 Bushels Wheat, 5c.	.	.	.	\$37,500
2,000,000 Bushels Corn, 4c.	.	.	.	80,000
500,000 Bushels other Grain, 5c.	.	.	.	25,000
30,000 Barrels Flour, 20c.	.	.	.	6,000
25,000 Hogs, 50c.	.	.	.	12,500
5,000 Fat Cattle, \$1.50,	.	.	.	7,500
1,000,000 Bushels Coal, 4c.	.	.	.	40,000
6,000,000 Feet B. M. Lumber, \$3,	.	.	.	18,000
25,000 Tons Miscellaneous Freight, \$3,	.	.	.	75,000
				<hr/>
				\$301,500
Aggregate estimated Revenue,	.	.	.	\$469,000
Less estimated operating expenses, 40 per cent.,	.	.	.	187,600
				<hr/>
Leaving as Net Receipts,	.	.	.	\$281,400

Applicable to payment of interest on bonds, sinking-fund for redemption of bonds, depreciation account, &c.

In conclusion, let me congratulate the stockholders and friends of the road, upon the progress that has already been made, and urge upon them the importance of renewed and most strenuous effort to make their investment available at the earliest possible date.

Confident that this road will prove a dividend-paying stock, independent of its incidental benefits to the stockholders and the public,

I have the honor to be,

Your obedient servant,

J. B. CUMMINGS,

Chief Engineer.

OFFICE OF THE ILLINOIS RIVER RAILROAD COMPANY, }
 VIRGINIA, CASS COUNTY, ILLINOIS, }
October 18th, 1858.

The undersigned, the President and Directors of the Illinois River Railroad Company, do hereby certify that the foregoing Report of J. B. Cummings, the Chief Engineer of said Road, has been fully approved and endorsed by us, as strictly reliable in all its statements of facts, and calculations as to results.

R. S. THOMAS, *President.*

J. M. RUGGLES, }
 J. WAGENSELLER, } *Directors.*
 B. S. PRETTYMAN, }

N. B.—Judge Wm. Thomas, the only other director of said Company, was not present at the reading and approval of said report, and therefore his name does not appear in said certificate.

Proceedings of the Board of Directors,
RATIFYING THE CONTRACT FOR THE SALE OF THE FIRST MORTGAGE BONDS,

AND

Authorizing and Directing the Board to make, execute, issue and
deliver the Bonds and Deed of Trust.

At a meeting of the Board of Directors of the Illinois River
Railroad Company, duly and regularly held and convened at
Pekin, in the county of Tazewell, and State of Illinois, on the 8th
day of October, A. D. 1858,

PRESENT: FRANCIS LOW, *President*, JOSHUA WAGENSELLER,
B. S. PRETTYMAN, J. M. RUGGLES, and R. S. THOMAS, *Directors of
said Company*.

R. S. Thomas stated to the said Board, that under and by vir-
tue of the special power and authority conferred upon him by a
resolution unanimously adopted by this Board (every member
thereof being present), on the 15th day of September, 1858, he
had made and finally concluded, executed and delivered, for and
in the name and on the behalf of this Company, a contract and
agreement with Alexander Studwell, of the city of New York,
dated the 27th day of September, 1858.

Whereupon, on motion of B. S. Prettyman, said contract and
agreement was read, and after all the covenants and provisions
therein had been duly considered, discussed and examined, it was
on motion of James M. Ruggles, unanimously

Resolved, That said contract and agreement, and all and sin-

gular the covenants, conditions and provisions therein, be and the same are hereby approved, adopted and ratified, and in all respects confirmed by and on the part of this Company. And that said contract and agreement is and shall be as binding, legal, valid and effectual, to all intents and purposes, upon and against this Company, as if it had been executed by the President of this Company, and its corporate seal had been thereto duly affixed.

And it was further unanimously

Resolved, That said contract and agreement shall be duly recorded and entered upon the minutes of this Board, by the Secretary of this Company, and the same is so recorded and entered upon the minutes of this meeting, as follows, viz. (Here comes in contract.)

On motion of J. Wagenseller, it was further unanimously

Resolved, That the President and Secretary of this Company, be and they are hereby expressly authorized and empowered, and are directed in the name and on behalf of this Company, and under its corporate seal, to make, sign, execute, acknowledge, issue and deliver any and all deeds, bonds, mortgages, conveyances, agreements, contracts, covenants or assurances, which in their judgment may be necessary, or which may or shall be required, in order to execute, perform and carry into full effect, all and every of the covenants, agreements and conditions in the aforesaid contract and agreement, dated September 27th, 1858, contained, and which are to be performed, observed, done or executed by and on the part of this Company.

And on motion of B. S. Prettyman, it was further unanimously

Resolved, That the President and Secretary of this Company, be and they are hereby authorized and empowered and directed to execute, acknowledge and duly deliver, in the name and on behalf of this Company, to Alexander Studwell, Lucius Hopkins, and George T. Cobb, the trustees named in the foregoing contract and agreement, the deed of trust or mortgage therein contemplated and provided for, and which shall be approved or pre-

pared by or under the direction of John Cleaveland, Esq., therein named, to affix the corporate seal of this Company thereto, and so to seal, acknowledge and deliver the same, as the act and deed of this Company, and to cause the same to be duly recorded in all the counties through which the road of this Company runs; and that for the purpose of expediting the recording such deed of trust or mortgage, that said President and Secretary be and they are authorized hereby, to execute and deliver four or more originals thereof, and to file one of said originals for record, in each of the counties through which the road of this Company runs, immediately upon the execution thereof; and also to issue, in the name of this Company, and on its behalf, and under its corporate seal, all and singular the bonds in said contract and agreement referred to, called first mortgage bonds, and amounting in the aggregate to not exceeding one million and twenty — thousand dollars, and in such form and with such provisions, conditions and statements therein, as shall be approved by the said John Cleaveland.

REPORT

OF

J. COLLINS CHESBROUGH, ESQ., OF NEW YORK,

CIVIL ENGINEER,

AS TO THE CHARACTER OF THE WORK ON THE LINE OF THE
ROAD, AND OF THE VALUE OF THE ENTERPRISE.



NEW YORK, *October 28th*, 1858.

ALEXANDER STUDWELL, ESQ., New York,

DEAR SIR:—It having been made a condition precedent by you, previous to your purchasing the First Mortgage Bonds of the Illinois River Railroad Company, that the work done upon the line, as well as the feasibility and productiveness of the road when completed, should be inspected and reported upon by a disinterested Civil Engineer of your own selection; and having been designated by you for such purpose, and having discharged the trust thus confided to me, I beg leave to report, in general terms, as follows:

That I have made a personal examination of the line of the road, and find it to correspond substantially with the statements made in the report of J. B. Cummings, Chief Engineer of said road, to the President and Directors of the Company, bearing date September 10th, 1858.

Some of the higher embankments have worn away slightly at the grade, and will require re-dressing to be fifteen wide, as provided by the contract.

The plans for pile and trestle work are good, and will insure

strength. The plans for the large bridges—"Howe's" for the Illinois and Mackinaw rivers, and "McCallum's" for the Sangamon river, have been tested upon important lines of road, and are entitled to confidence.

There are but few lines of equal length offering such facilities for cheapness of construction and future repairs; and with the exception of the trestle and pile bridging, and culverts, to be replaced, this will form a FIRST CLASS ROAD when ballasted.

Under all the circumstances, I consider it judicious economy to construct the bridges and culverts as at present designed.

With a cost not exceeding \$25,000 per mile, and beyond which it *cannot go*, with any prudent management, this line of road must be a profitable investment.

There are sufficient undeveloped resources, not now taken into account, to make good any *possible* over statement based on the official statistics of the counties through which this road will pass.

Yours, respectfully,

J. C. CHESBROUGH,

Civil Engineer.

OPINION OF HON. S. T. LOGAN,

OF SPRINGFIELD, ILL.

(WHO STANDS AT THE HEAD OF THE BAR IN THAT STATE), AS TO THE RIGHT OF THE COMPANY TO BORROW MONEY, BY ISSUING AND SELLING ITS BONDS AT ANY PRICE IN THE DISCRETION OF THE BOARD OF DIRECTORS.

1st. The Illinois River Railroad Company, a corporation created by the State of Illinois, has power by its charter to borrow money, by issuing and selling its bonds, for the purpose of paying for iron, rolling stock, &c.

2d. The said Company has power to sell such bonds at, above, or below par.

3d. No plea of usury can be interposed by said Company in the State of Illinois.

STEPHEN T. LOGAN.

SPRINGFIELD, ILL , *Oct.* 26, 1858.

CHARTER

OF THE

Illinois River Railroad Company.

AN ACT to construct a Railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County.

SEC. 1. Be it enacted by the People of the State of Illinois, represented in the General Assembly, That George E. Walker, William Paul, Samuel L. Fleming, Theodore Perry, William Fisher, William S. Maus, Gideon W. Rupert, Philo H. Thompson, George N. Walker, N. J. Rockwell, James M. Ruggles, F. S. D. Marshall, Benjamin Bushby, James Dunlap, Joseph J. Cassell, Alexander M'Donald, and their associates, successors, and assigns, are hereby created a body corporate and politic, under the name and style of the "ILLINOIS RIVER RAILROAD COMPANY," with perpetual succession, and by that name be and they are hereby made capable, in law and in equity, to sue and be sued, plead and be impleaded, defend and be defended, in any court of law and equity in this State, or in any other place; to make, have, and use a common seal, and the same to renew and alter at pleasure; and shall be, and are hereby, vested with all the powers, privileges, and immunities which are or may be necessary to carry into effect the purposes and objects of this act, as hereinafter set forth; and the said Company are hereby authorized and

Corporators.

Style.

General powers.

Objects.

empowered to locate and construct, and finally complete, a railroad from the town of Jacksonville, in Morgan County, *via* Virginia, in Cass county, to the town of Bath, Mason county, and thence, by way of Pekin, in Tazewell county, Lacon, in Marshall county, to La Salle, in La Salle County; and for this purpose said Company are authorized, upon the most eligible and proper route, to lay out their said railroad wide enough for a single or double track, through the entire length, and may enter upon and take a strip of land not exceeding one hundred feet in width, and for the purpose of cuttings, embankments, procuring stone and gravel, may take as much land as may be necessary, for the proper construction of and security of said road. Route.

SEC. 2. The capital stock of said Company shall consist of *one million of dollars*, and may be increased to *two millions of dollars*, to be divided into shares of one hundred dollars each. The immediate government and direction of said Company shall be vested in five directors, who shall be chosen by the stockholders of said Company in the manner hereinafter provided, who shall hold their office for one year after their election, and until others shall be duly elected and qualified to take their places as directors, a majority of whom shall form a quorum for the transaction of business, shall elect one of their number to be the president of the company; that said board of directors shall have power to appoint all necessary clerks, secretaries, and other officers necessary in the transaction of the business of said corporation. Capital Stock.
Directors.
President.
Appointment other officers.

SEC. 3. The said corporation is hereby authorized, by their agents, surveyors, and engineers, to cause such examinations and surveys to be made of the ground and country between the points herein named, as shall be necessary to determine the most advantageous route for the proper line or course whereon to construct their said railroad; and it shall be lawful for said Company to enter upon, and take possession of, and use all such lands and real estate as may be necessary for the construction and maintenance of their said railroad: *Provided*, that all lands and real estate entered upon, and taken possession of, and used by said corporation for the purposes and accommodation of said railroad, or upon which the site of said railroad shall have been located or determined by the said corporation, shall be paid for by the said Company in damages, if any be sustained by the owner or owners May examine and survey the route.
May take lands.
Damages for lands taken.

thereof by the use of the same for the purposes of the said railroad ; and all lands entered upon and taken for the use of the said corporation, which are not donated to said Company, shall be obtained and paid for in the manner provided for taking lands for the construction of public roads, canals, and other public works, as described in the act concerning right of way, approved March 3d, 1845.

Penalties
for obstruct-
ing or injur-
ing the road.

SEC. 4. If any person shall wilfully, maliciously, or wantonly and contrary to law, obstruct the passage of any car on said railroad, or any part thereof, or anything belonging thereto, or shall damage, break, or destroy any part of the said railroad, or implements, or buildings, he, she, or they, or any person assisting, shall forfeit and pay to said Company, for every such offense, treble the amount of damages, that shall be proved before competent courts has been sustained, and be sued for in the name and behalf of the said Company ; and such offender or offenders shall be deemed guilty of a *misdemeanor*, and shall be liable to indictment in the same manner as other indictments are found in any county or counties where such offense shall have been committed ; and upon conviction, every such offender shall be liable to a fine not exceeding five thousand dollars for the use of the county where such indictment may be found.

Annual
meetings
and elections

SEC. 5. The time of holding the annual meeting of said Company for the election of directors shall be fixed and determined by the by-laws of said Company ; and at all meetings each stockholder shall be entitled to a vote, in person or by lawful proxy, one vote for each share of stock he, she, or they, may hold *bona fide* in said Company.

This section is re-
pealed by the
4th section of
the amend-
atory act of
1854.

SEC. 6. The persons named in the first section of this act are hereby appointed commissioners, who, or a majority of whom, are hereby authorized to open subscription books for said stock, at such places as they may deem proper. The said commissioners shall require each subscriber to pay five dollars on each share subscribed, at the time of subscribing ; and whenever one hundred thousand dollars shall be subscribed, the said commissioners shall call a meeting of the stockholders, by giving thirty days' notice in some newspaper printed in the county of — ; and at such meeting it shall be lawful to elect the directors of said Company ; and when the directors of said Company are chosen,

the said commissioners shall deliver said subscription books, with all sums of money received by them as commissioners to said directors. No person shall be a director in said Company, unless he shall own at least five shares of the capital stock.

SEC. 7. The right of way and the real estate purchased for the right of way, by said Company, whether by mutual agreement or otherwise, or which shall become the property of the Company by operation of law, as in this act provided, shall, upon the payment of the amount of money belonging to the owner or owners of said lands, as a compensation for the same, become the property of the said Company in fee simple.

This section is repealed by the 4th section of the amendatory act of 1854.

SEC. 8. The said Company may take and transport upon said railroad any person or persons, merchandise, or other property, by the force and power of steam or animals, or any combination of them, and may fix, establish, take and receive such rates of toll for all passengers and property, transported upon the same, as the directors shall from time to time establish; and the directors are hereby authorized and empowered to make all necessary rules, by-laws, regulations, and ordinances, that they may deem necessary and expedient to accomplish the designs and purposes, and to carry into effect all the provisions of this act, and for the transfer and assignment of its stock, which is hereby declared personal property, and transferable in such manner as shall be provided for by the by-laws and ordinances of said corporation.

Transportation of persons and freight.

By Laws.

Stock is personal property and how transferable.

SEC. 9. The directors of said Company, after the same is organized, shall have power to open books, in the manner prescribed in the sixth section of this act, and to fill up the additional one million of dollars of stock, or any part thereof, at such times as they may deem it for the interest of said Company; and all the installments required to be paid on the stock originally to be taken, and what may be taken to increase said capital stock, shall be paid at such times, and in such sums, as said directors may prescribe.

Additional capital stock.

Installments how to be paid.

SEC. 10. In case of the death, resignation, or removal of the president, vice-president, or any director, at any time between the annual elections, such vacancy may be filled for the remainder of the year, whenever they may happen, by the board of directors; and in case of the absence of the president and vice-president, the board of directors shall have power to appoint a president

Vacancies.

pro tempore, who shall have and exercise such powers and functions as the by-laws of the said corporation may provide. In case it should, at any time, happen that an election shall not be held on any day on which, in pursuance of this act, it ought to be held, the said corporation shall not, for that cause, be deemed dissolved, but such election shall be held at any other time directed by the by-laws of said corporation.

Damages to
infants, feme
coverts, &c.,
how deter-
mined.

SEC. 11. That when the lands of any *feme covert*, person under age, or *non compos mentis*, or out of this State, shall be taken in the construction of said railroad, as is provided by this act, the said corporation shall pay the amount that shall be awarded as due to the said last mentioned owners respectively, whenever the same shall be lawfully demanded. That to ascertain the amount to be paid to the persons named in this section, for the lands taken for the use of the said corporation, it shall be the duty of the judge of the judicial circuit within which said land may be situated, upon notice given to him by the said corporation, to appoint three commissioners, to be persons not interested in the matter, to determine the damages which the owner or owners of the land, or real estate, so entered upon by the said corporation, has or have sustained by the occupation of the same; and it shall be the duty of said commissioners, or a majority of them, to deliver to said corporation a written statement of the awards they shall make, with a description of the land or real estate appraised, to be recorded by the said corporation in the clerk's office, in the county in which the land, or real estate, so appraised, shall lie; and then the said corporation shall be deemed to be seized and possessed in the fee simple of all such lands, or real estate, as shall have been appraised by the said commissioners.

Water
courses and
highways.

SEC. 12. That whenever it shall be necessary for the construction of said railroad, to intersect or cross any water course, or any road, or highway, lying between the points aforesaid, it shall be lawful for the corporation to construct their railroad across, or upon, the same:

Provided, That the corporation shall restore the water course, or road, or highway, thus intersected, to its former state, or in a sufficient manner not to have injured its usefulness.

Increase of
capital stock.

SEC. 13. The capital stock of said company may be increased from one million of dollars, to two million five hundred thousand

dollars, from time to time, by new subscriptions, if such increase shall be found necessary to fulfil the intention of this act, upon the directors, for the time being, giving the notice, as herein required, previous to the opening of the subscription books for the original stock therein; and that all stock of said corporation shall be deemed personal property, and transferable in such manner as the said corporation shall, by its by-laws, prescribe.

Stock personal property, and how transferable.

SEC. 14. That it shall be lawful for the directors to require payment of the sums subscribed to the capital stock, at such times, and in such proportions, and on such conditions, as they shall deem fit, under the penalty of the forfeiture of all previous payments thereon, and shall give notice of the payments thus required, and of the place, and time, when and where, the same are to be paid, at least ninety days previous to the payment of the same, in some public newspaper of this state, published in some one of the places where the notices for the opening the books for subscription to the capital stock may have been published.

Payment of stock.

Notice of calls.

SEC. 15. Said company is hereby authorized, from time to time, to borrow such sum, or sums, of money as may be necessary for completing, and finishing, or operating their said railroad, and to issue and dispose of their bonds, in denominations of not less than five hundred dollars, bearing a rate of interest not exceeding seven per centum per annum, for any amount so borrowed, and to mortgage the corporate property and franchises, or convey the same by deed of trust, to secure the payment of any debt contracted by said company, for the purposes aforesaid. And the directors of said company may confer on any bondholder of any bond issued for money borrowed as aforesaid, the right to convert the principal due, or owing thereon, into stocks of said company, at any time not exceeding ten years from the date of the bond, under such regulations as the directors of said company may see fit to adopt; and all sales of such bonds that may be made at less than their par value, shall be good, and valid, and binding, upon said corporation, as if said bonds had been sold for the full amount thereof.

Power to borrow money on bonds and mortgage.

SEC. 16. The width of said railroad is to be determined by the said corporation, within the limits prescribed by the first section of this act.

Width of road.

Time of
beginning
and complet-
ing.

SEC. 17. This act shall be in force from, and after, its passage, and said company shall commence said work within three years, and complete the same within ten years, from the passage of this act.

Union with
other roads.

SEC. 18. Said company shall have power to unite its railroad with the railroad which may be constructed from Jacksonville, in Morgan county, to Alton, in Madison county, by the Jacksonville and Carrolton railroad company, or any other company, and for that purpose full power is hereby given to said company to make and execute such contracts, with any company, as will secure the objects of connecting with any railroad built, or to be built, at Jacksonville.

Approved, February 11, 1853.

AMENDATORY ACTS.

AN ACT to Amend an Act entitled, "An Act to construct a Railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County."

Commis-
sioners.

SEC. 1. Be it enacted by the people of the State of Illinois, represented in the General Assembly, That James Dunlap, James M. Ruggles, and Gideon W. Rupert, are hereby appointed commissioners, who, or a majority of whom, after a meeting duly called by twenty days' notice in newspapers published in Morgan, Mason, and Tazewell counties, are hereby authorized to open subscription books for subscribing to the capital stock of said Company, at such places as they may deem proper, and shall keep said books open until one hundred thousand dollars of said capital stock shall be taken. Said commissioners shall require each individual subscriber to pay ten dollars on each share subscribed, at the time of subscribing, and shall require counties, towns, or cities, subscribing, to issue bonds to the amount of ten dollars per share at the time of subscribing. Said commissioners shall immediately thereafter call a meeting of stockholders, by giving thirty days' notice in some newspaper printed in the counties of Morgan, Mason, or Tazewell, and at

To open
stock books.

Meeting of
stockholders
and election
of directors.

such meeting it shall be lawful to elect Directors of said Company; and when the Directors of said Company are chosen, the said commissioners shall deliver said subscription books, with all sums of money, and all bonds received by them as commissioners, to said Directors. No person shall be a Director in said Company unless he shall own at least five shares of the capital stock of said Company.

SEC. 2. Said Company shall have the power to unite or consolidate its Railroad with any other Railroad now constructed, or which may hereafter be constructed, within this State on the route of said Road, or at the terminus of said Road, upon such terms as may be mutually agreed upon between the Companies so connecting; and for that purpose, full power is hereby given to said Company to make and execute such contracts with any other Company as will secure the objects of such connection; and said Company shall not be required to build that portion of said Road north of such connection as may be agreed upon, unless a majority of the Directors of said Company shall be in favor of extending and completing said Road north of said connection.

SEC. 3. The right of way and the real estate purchased by said Company, whether by mutual agreement or otherwise, or which shall become the property of the Company by operation of law, shall, upon the payment of the amount due to the owner or owners of said lands, become the property of the said Company in fee simple.

SEC. 4. Sections six and seven of the act to which this is an amendment, are hereby repealed; and all parts of said act conflicting with the foregoing amendatory act.

SEC. 5. James M. Ruggles, Benjamin Beesley, Hugh Lamasater, John S. Winter, William McMurtry, and Lemuel Andrews, are hereby authorized to construct and operate a branch of the "Illinois River Railroad," to be called the "Mississippi and Illinois River-Railroad," from Bath, in Mason county, to Rock Island, in Rock Island county, *via* Lewiston, in Fulton county, Knoxville and Henderson, in Knox county; and for the purpose of constructing said branch road, said commissioners named in this section are hereby declared to possess all the powers, and be subject to all the restrictions contained in this act, and the act to which this is an amendment. The capital stock of said Company shall

May consolidate with other roads.

Right of way, &c.

Sections 6 and 7 of original charter repealed.

A branch road authorized to be built by a different company.

be one million and five hundred thousand dollars ; and said Company are hereby authorized to increase their capital stock to such an amount as may be necessary to complete such branch road, under the same provisions and regulations as are provided for in this act, and the act to which this is an amendment. The above-named commissioners are hereby authorized to open books for subscription to the capital stock of said Company, at such places on the line of said branch road as may be agreed upon, by giving notice as provided for in this act.

A ferry and bridge for the branch road.

SEC. 6. Said Company shall have the right to establish a ferry at the place of crossing the Illinois River, and also of constructing a bridge across the same; *Provided*, said bridge shall be so constructed as not materially to obstruct the navigation of said river. Said Company shall also have the right to consolidate, unite with, or cross any railroad constructed or to be constructed on the route of said branch road, as provided for in this act.

Stock taken by Cass and Mason counties.

SEC. 7. This act shall not be so construed as to impair or in anywise affect the vote already taken for subscribing stock in the "Illinois River Railroad," by the counties of Cass and Mason, and said election and all proceedings heretofore had by said Company, are hereby declared to be legal and binding in law and equity.

This a public act.

SEC. 8. This act is hereby declared to be a public act, and shall be in force from and after its passage.

Approved, March 1, 1854.

AN ACT to amend the Charter of the Illinois River Rail Road Company.

Additional powers.

May receive and hold real estate by donation or purchase and convey same &c.

SEC. 1. Be it enacted by the People of the State of Illinois, represented in the General Assembly. That the Illinois River Railroad Company, as the same is at present organized under the provisions of an act entitled, "An act to construct a railroad from Jacksonville, in Morgan county, to La Salle, in La Salle county," approved February 11th, 1853, and an act entitled "An act to amend an act entitled "An act to construct a railroad from Jacksonville, in Morgan county, to La Salle, in La Salle county," approved March 1st, 1854, shall have not only the rights, powers,

and privileges conferred by said act, but in addition thereto shall have power and authority to have, receive, hold, sell and dispose of any donations of real or personal property, for the use of said Company, and to acquire, by purchase and hold, for the use of said Company, in the constructing or operating said railroad, or to sell the same, if found not necessary or proper to be retained.

SEC. 2. The said Illinois River Railroad Company shall have power to issue their bonds, in sums not less than five hundred dollars, bearing an interest not exceeding ten per cent. for such amount as may be necessary to complete their road and put the same in full operation, and to sell said bonds at par or on such other terms as said Company may agree on.

May issue
bonds. Sell
them under
par.

SEC. 3. Said Company shall also have the right to enter upon and appropriate to its exclusive use and control all and singular any lands, streams and materials, of every kind, for the location of depots and stopping stations, for constructing bridges, dams, embankments, excavations, station grounds, spoil banks, turnouts, engine houses, shops and other buildings, necessary for constructing, completing, altering, maintaining, preserving and complete operations of said road; but when said lands, streams, or materials belong to any person or persons, company or corporation, and cannot be obtained by contract, grant or release, the same may be taken and paid for, if any damages are assessed, as provided in the acts to which this is an amendment, and when the damages assessed, if any, are paid or tendered, the said lands, streams and materials shall be vested in said Company; provided, that if the owners of any lands, streams or materials taken for any of the purposes provided in this section, or for the purposes mentioned in the acts aforesaid, shall appeal from the assessment of damages for taking the same, the said Company may tender to the owner or pay to the clerk of the Court to which the appeal is taken, for the use of the owner or owners, the amount of damages assessed, and file with the Clerk of said Court a bond, with security, to be approved by him, for the payment of such additional damage and costs as may be awarded against said Company, on the trial of said appeal, then said Company may take possession of and hold, for their exclusive use, such lands, streams, or materials in the same manner as if said appeal had not been taken.

May take
land and use
materials to
construct
road.

Damages.

How paid.

May give
mortgage to
secure bonds

SEC. 4. Said Company shall have power by mortgage or deed of trust on all or any part of the property, or franchises owned by said Company, to secure the payment of such bonds as said Company may issue, or such sums of money as said Company may agree to pay, for any purposes connected with the construction or operation of the railroad aforesaid.

May construct across
any water-course or
highway.

SEC. 5. Said Company shall have power to construct their road on or across any stream of water, or water-course, road, highway, railroad or canal which the route of said road shall intersect, but the Company shall restore the stream or water-course, road or highway, thus intersected, to its former state, or so near thereto as not materially to impair its usefulness. Whenever the said railroad shall intersect a road or highway, the said Company shall have power to change the line of such road or highway, if said change shall not materially impair the usefulness of such road or highway; and the Company may take such additional lands as may be necessary for the change of said road or highway, making compensation therefor, to be ascertained as in other cases provided by the acts aforesaid.

By laws.

SEC. 6. The said Company shall have power to make and ordain such rules and By-Laws as may be necessary for the government of the Company, its servants and agents; and the certificate of the Secretary or principal Clerk of said Company, under the seal of said Company, shall be received in all courts and places as evidence of said rules and By-Laws, the appointment of agents or officers, or of any order of said Company, and also of the due organization thereof.

County subscriptions,
court to levy
tax to pay,
interest on
bonds.

SEC. 7. In all cases where subscriptions of stock have been or shall be made to said Company, by any county, in pursuance of a vote of the county, it shall be the duty of the County Court of each county, respectively, to levy a sufficient tax to pay the interest on the bonds to be issued for said stock; which tax shall remain in force until said bonds shall be paid off and discharged; and said tax may from time to time, be increased or diminished so as to produce sufficient funds for the payment of interest.

When work
to be commenced and
completed.

SEC. 8. The said Company may commence building their road at any time within five years from the passage of this act, and shall own and operate such part as may be completed, notwithstanding the whole road may not be finished.

SEC. 9. The Directors of said Company shall have power, while engaged in the construction of said road, or so much thereof as lies within the boundary of any one county, to make calls of the stock subscribed by said county or by citizens thereof, as said Directors may esteem necessary, without making the same calls on other counties or the stockholders residing therein; and until a corresponding call is made in the adjoining county, such calls shall be expended within the boundary of the county on which the excessive call is made.

SEC. 10. When said Company shall have decided to unite their road with any other railroad authorized to be built but not completed, the said Company may make such contract in regard to the building of said road, at the joint expense of the two Companies, as to them may seem just and equitable.

SEC. 11. Said Company is authorized to build railroad bridges, for the use of said road, across the Illinois river and the Sangamon river, leaving across the Illinois river, a sufficient draw and space for the safe passage of steamboats and other river crafts.

SEC. 12. The said Company shall have power to declare forfeited the stock of any stockholder who shall fail to pay the installments called by the Board of Directors, or any one of said calls, within sixty days after said calls become due, or may sue for said calls, as in other cases; and twenty days notice shall be sufficient for the making of such calls, instead of the time required in the acts aforesaid; which notice may be served personally, or by advertisement in a newspaper published in the county where the stockholder may reside.

SEC. 13. This act to take effect and be in force from and after its passage.

SEC. 14. The said Company is hereby authorized to lay off and construct their railroad, on the most eligible and direct route between Jacksonville and Pekin; but, in case the road shall not run through either of the points, between said places, mentioned in the original charter, the said Company shall, as soon as practicable after the road is put in operation, build and operate a side track to such point.

SEC. 15. This act, as also the original charter of said Company and the act amendatory thereto, shall be deemed public acts, and shall be so received and taken notice of in all courts.

Directors.
may make
calls by
counties,
separately.

When united
to other
roads, may
build at joint
expense.

May build
bridges
across rivers.

May de-
clare stock
forfeited, or
sue.

Notice of
calls.

Act to take
effect.

May adopt
most eligible
route.

This and
former acts
to have force
of public
acts.

Vote of
Morgan and
Mason coun-
ties and city
of Pekin le-
galized,

SEC. 16. The votes, taken in the Counties of Morgan and Mason, and the city of Pekin, for subscribing stock to said railroad Company, are hereby declared to have been legally made and taken, and stock shall be subscribed by the county courts of said counties and the proper authority of the city, in pursuance of the orders under which said votes were taken, and bonds shall be issued for said subscriptions accordingly.

Approved, January 29, 1857.

AN ACT to amend an Act, entitled: "*An Act to construct a railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County,*" approved February 11, 1853; and, also to amend an Act entitled, "*An Act to amend an Act entitled, 'An Act to construct a railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County.'*" *Approved, March 1, 1854.*

Right of
way, how
obtained.

SEC. 1. Be it enacted by the people of the State of Illinois, represented in the General Assembly, that in case "The Illinois River Railroad Company" cannot obtain the title to the lands required or needed for the right of way, depot or station grounds, turn-outs, switches, or other necessary uses or useful purposes, in the locating, building, keeping in repair, and operating of said railroad, by purchase, contract, or voluntary conveyance, then said Company are hereby authorized to proceed, to ascertain and determine the damages sustained by the owner or owners, occupier or occupiers of such lands, and obtain the right and title to said lands in the manner and upon the principles provided and contained in "*An Act to amend the law condemning right of way for purposes of internal improvement,*" approved, June 22, 1852; or, in the manner and upon the principles specified in the above recited acts or any act amendatory thereof; or, in the manner and upon the principles provided and contained in any other act that may have been, or may hereafter be, passed by the General Assembly of the State of Illinois, to enable railroad Companies to appropriate lands for the purposes aforesaid.

SEC. 2. The said Company is hereby authorized to receive subscriptions to the capital stock of the Company, payable at any time or in any manner that may be specially agreed upon by the Company and the subscribers thereof; and said agreement may bear such interest as may be contracted for; and, for securing the payment of the same the said Company may take the bond or bonds of said subscriber or subscribers and a mortgage or mortgages, deed or deeds of trust upon real estate. On a failure to pay any sum or sums of money agreed to be paid as aforesaid, or the interest on the same, as the same may accrue, the said Company may foreclose such mortgage or mortgages, or sell and convey the said real estate, agreeably to the provisions of said deed or deeds of trust. The bonds or mortgages or deeds of trust, herein provided for, may be assigned or transferred by the said Company, and such assignment shall vest in the assignee or assignees the legal title thereto.

Special sub-
scriptions,
&c.

SEC. 3. All the acts and proceedings of the corporators, and also of the commissioners, and each of them, named in the acts of which this is an amendment, or any of them, in opening subscription books and obtaining, authorizing the obtaining, or in receiving subscriptions to the capital stock of "The Illinois River Railroad Company," or otherwise, whether such acts and proceedings were done, and had, by any one or more of said corporators or commissioners, in proper person or by any other person or persons acting by or under their authority, are hereby declared to be legal, valid, and binding in law, whether all the requirements of the Acts, to which this is an amendment, have been strictly complied with or not.

Proceedings
of commis-
sioners le-
galized.

SEC. 4. The vote taken in the County of Cass, in the year A. D. eighteen hundred and fifty-three, which resulted in favor of said County's subscribing fifty thousand dollars to the capital stock of "The Illinois River Railroad Company," and also the subscription of fifty thousand dollars, under and by virtue of said vote and to carry the same into effect, by J. A. Areny, County Judge of Cass County, as agents or agent and stockholder, or otherwise, for and in behalf of said County, are hereby declared to have been legally taken and made, and to be now valid and binding upon the County—any technical or other formal defects in said vote or subscription to the contrary, not-

Cass coun-
ty vote and
subscription
legalized.

withstanding. And the County Court of Cass county are hereby authorized and required to issue county bonds for said fifty thousand dollars, and deliver the same to the said Company at the time or times and in the manner and upon the principles of the general laws of this State relating to subscriptions by counties to the capital stock of railroad Companies.

Incorporated towns may vote whether they will subscribe stock.

SEC. 5. The provisions of an act entitled, "An Act supplemental to an Act, entitled, 'An Act to provide for a general system of railroad incorporations,'" approved, November 6, 1849; and also of "An Act to facilitate the construction of railroads," approved, March 1st, 1854, are hereby declared and made applicable to each and every town now incorporated or that may hereafter be incorporated, situated at either end or on the line of the Illinois Railroad, or within one mile thereof, as the same has been heretofore surveyed (to wit: in the year A. D. 1856, by W. G. Wheaton, engineer,) or may hereafter be located; and the corporate authorities of any such town may order an election or elections, to be held in such town by the legal voters thereof, upon the question whether the town, in its corporate capacity, will or will not subscribe to the capital stock of "The Illinois River Railroad Company" any sum not exceeding fifty thousand dollars. And in case any such election shall be held, the same shall be conducted as other town elections. And, if any such election shall result in favor of making such subscription, all the provisions of the two acts recited in this section, and also of all other general laws relating to subscriptions by counties to the capital stock of railroad companies, and also all the provisions of "An Act to amend the charter of the Illinois River Railroad Company," passed at the present Session of the General Assembly, so far as said act relates to requiring counties and cities to provide, by taxation or otherwise, for the payment of interest on county or city bonds, shall apply to and govern the corporate authorities of such town in making such subscription, and in all the subsequent proceedings relating thereto; and the rights of such town against said Company shall be the same, with the like remedies to enforce such rights, as the rights and remedies of counties in cases of county subscriptions.

SEC. 6. The said Company may, if they deem it advisable, locate, construct, finally complete and operate said road, or any

part or parts thereof, by or in divisions of such length and with such names or numbers as may, by order of the Board of Directors, be determined upon ; and the Board shall have power, in their discretion, to order that all the subscriptions of persons living adjacent to any of such divisions, or made specially to aid in the construction of any such divisions, shall be applied exclusively to the construction of such division or divisions. And the Board of Directors shall also have power to order that no other subscriptions shall be expended on any of such divisions other than such as may be specified in any order of the Board, made as above-named, in which case such order shall be in full force until repealed or modified ; and no other subscriptions or moneys of the Company shall be expended or be liable to be expended, on the division or divisions named in such order so long as such order shall be unrepealed or unmodified. *Provided*, that in case there should be a surplus of the subscriptions directed by any such order to be expended on any such divisions left after completing the grading, tying and bridging of such division or divisions, then such surplus may be expended on some other part of the road.

The board of directors may in their discretion make calls and build the road by divisions.

SEC. 7. This Act shall have all the force and effect of a public Act, and shall take effect and be in force from and after its passage.

Approved, February 16, 1857.

STATE OF ILLINOIS, }
United States of America. } ss.

I, O. M. Hatch, Secretary of State, within and for the aforesaid State of Illinois, certify that the foregoing pages contain full and accurate copies, from the originals in my office, of four acts of the General Assembly of said State, and that said acts were severally approved, and became laws of said State, at the times mentioned in said copies ; which four acts are respectively entitled as follows : 1st, "An act to construct a railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County : " 2d, "An act to amend an act entitled, an act to construct a rail-

road from Jacksonville, in Morgan County, to La Salle, in La Salle County:" 3d, "An act to amend the Charter of the Illinois River Railroad Company:" "An act to amend an act entitled, 'An act to construct a railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County, approved February 11th 1853;' and also to amend an act entitled, 'An act to amend an act entitled, An act to construct a railroad from Jacksonville, in Morgan County, to La Salle, in La Salle County, approved March 1st 1854.'"

[SEAL.]

In Witness whereof, I have hereunto set my hand and caused the great seal of State to be affixed. Done at the City of Springfield, this 26th day of April, in the year of our Lord, one thousand eight hundred and fifty-eight.

O. M. HATCH,
Secretary of State.

COPY OF ONE OF THE 1320 BONDS

SECURED BY

A First Mortgage or Deed of Trust.

No. —.

\$1,000.

UNITED STATES OF AMERICA,

STATE OF ILLINOIS.

Illinois River Railroad Company,

Incorporated February 11th, A. D. 1853.

FIRST MORTGAGE BOND,

Secured by the entire Net Earnings of the Railroad, as a Sinking Fund.

KNOW ALL MEN BY THESE PRESENTS, that the Illinois River Railroad Company, a body corporate, created by and domiciled in the State of Illinois, hereby acknowledges itself indebted and bound to George T. M. Davis, or bearer, in the sum of one thousand dollars lawful money of the United States of America, which sum the Illinois River Railroad Company hereby promises to pay at the Importers and Traders' Bank, in the city of New York, to the said George T. M. Davis, or bearer, on the first day of January, A. D. 1880, with interest from and after June 30th, 1859, at the rate of ten per centum per annum, payable semi-annually at said Importers and Traders' Bank, in said city of New York, on the first days of January and July in each year after June 30th, 1859, on presentation and surrender of the annexed dividend or interest warrants.

This bond is one of a series of seven hundred and twenty bonds for one thousand dollars, each numbered from one to seven

hundred and twenty, both inclusive, and of six hundred bonds for five hundred dollars each, numbered from seven hundred and twenty-one to thirteen hundred and twenty, both inclusive, and amounting in the aggregate to ONE MILLION AND TWENTY THOUSAND DOLLARS, and which have been made and executed by said Illinois River Railroad Company, under express authority, granted by several acts of the General Assembly of the State of Illinois, and for the purposes authorized by and specified in said acts. And as security for the payment to the holders of said issue of said thirteen hundred and twenty bonds, with the interest to grow due thereon, the said Illinois River Railroad Company has duly executed, acknowledged, and delivered, under the authority of said special acts, and of resolutions unanimously passed and adopted by its Board of Directors, to Lucius Hopkins, George T. Cobb, and Alexander Studwell, as Trustees, a mortgage, or deed of trust, bearing even date herewith, and whereby all the real and personal property, rolling stock, franchises and effects, now owned or acquired, or hereafter to be owned or acquired by it, are mortgaged and conveyed to said trustees, and the survivors of them, as by reference to said mortgage or deed of trust, or the record thereof, will more fully appear, and to which and to all the terms and provisions thereof, reference is hereby specially made.

And as a further security for the payment to the holders of said issue of said thirteen hundred and twenty bonds, with the interest thereon to grow due, the said Illinois River Railroad Company has, in the manner and upon the terms and conditions specified in said mortgage or deed of trust, irrevocably pledged the entire net income of its railroad for the payment of the interest due or to grow due upon said bonds, and for the creation and maintenance of a SINKING FUND, to be applied to the payment and redemption of all said bonds, both principal and interest, in the mode and manner specified in said mortgage or deed of trust, and to which reference is hereby specially made as a part hereof. And it is expressly agreed by and between said Illinois River Railroad Company and the several holders of said thirteen hundred and twenty bonds, that the same are issued or negotiated, and are held, and are to be held, subject to redemption, by lot or otherwise, out of said SINKING FUND, at any time before January

1st, A. D. 1880, in the manner specified in said mortgage or deed of trust, and the same are made, executed, or issued, and held expressly subject to their payment and redemption before the maturity thereof, out of said SINKING FUND.

And it is hereby further expressly agreed by and between said Illinois River Railroad Company and the several holders of said thirteen hundred and twenty bonds, that in case said Illinois River Railroad Company shall for the space of thirty days make default in the payment of the semi-annual interest due or to become due on any or either of said bonds, or in case it shall fail to pay over to said SINKING FUND, as provided in said mortgage or deed of trust, the entire net earnings of its railroad, then and in either of said cases, after the lapse of said thirty days, the whole principal sum mentioned in each and all of said bonds shall immediately thereafter become due and payable, anything herein contained to the contrary thereof notwithstanding, and in case default shall be made either in the payment of said semi-annual interest as aforesaid, or in payment of said net earnings to said sinking fund as aforesaid, then, and in either of said cases, said Trustees are bound and obligated by the very terms of said mortgage or deed of trust, after the lapse of thirty days as aforesaid, at the request of two or more holders of said bonds, to foreclose said mortgage or deed of trust, and out of the proceeds of the sale of the mortgaged premises, to pay all said thirteen hundred and twenty bonds, both principal and interest.

IN WITNESS WHEREOF, the said Illinois River Railroad Company has caused this bond to be signed by its President, and attested by its Secretary, and its corporate seal to be hereunto affixed, at its office in the city of Pekin, in the county of Tazewell, and State of Illinois, under the express authority of resolutions of its Board of Directors, this first day of November, in the year of our Lord one thousand eight hundred and fifty-eight.

Secretary.

President.

THIS is to certify that the above bond is one of thirteen hundred and twenty bonds which are embraced in a mortgage, or deed of trust, bearing even date herewith, made and executed by the Illinois River Railroad

Company, whereby all its real and personal property, rolling stock, equipment, franchises and effects, acquired and to be acquired, are mortgaged and conveyed to us, as Trustees, as security for the payment of all said bonds. And which mortgage, or deed of trust, has been recorded in the several counties of Illinois through which the railroad of said Company runs; and constitutes, and is, the first lien or incumbrance upon the property therein described.

Trustees.

COPY OF MORTGAGE, OR DEED OF TRUST.

This Indenture, made this first day of November, in the year of our Lord One thousand eight hundred and fifty eight, **BETWEEN** the ILLINOIS RIVER RAILROAD COMPANY—a body corporate, created by and under certain special acts of the General Assembly of the State of Illinois,—party of the first part, and ALEXANDER STUDWELL, LUCIUS HOPKINS and GEORGE T. COBB, all residing or doing business in the City and State of New York, parties of the second part, **WITNESSETH**:

Whereas, the said party of the first part is expressly authorized and empowered, in and by its charter, and other special acts of said General Assembly, amendatory thereof, or supplementary thereto, to borrow money for the objects and purposes therein specified; and for such authorized objects and purposes, said party of the first part is desirous of borrowing a sum not exceeding ONE MILLION and TWENTY THOUSAND DOLLARS, and of securing the payment of its corporate bonds or obligations issued or negotiated therefor, by a mortgage or deed of trust to said parties of the second part as trustees as hereinafter set forth and provided.

And whereas, under and pursuant to lawful authority conferred by said charter and special acts aforesaid, the *Board of Directors* of said party of the first part, have unanimously *Resolved*, in substance and legal effect, every member of said *Board* being present,—that said ILLINOIS RIVER RAILROAD COMPANY make, execute, issue, negotiate and deliver under its corporate

seal, its corporate bonds bearing even date herewith, severally payable to *George T. M. Davis*, or bearer, at the IMPORTERS AND TRADERS' BANK, in the City of New York, on the first day of January, A. D. 1880, with interest, from and after June 30th, 1859, at the rate of TEN PER CENTUM per annum, payable at the same BANK, semi-annually, as follows, that is to say,—that 720 of said bonds be made or issued for the sum of \$1,000, each, and that 600 of said bonds be made or issued for \$500 each, in all 1320 bonds, in the aggregate amounting to \$1,020,000 and no more—and that for the purpose of a more specific identification thereof, that said 1320 bonds be numbered in a consecutive series, from number *one* to *number thirteen hundred and twenty*, both inclusive, and that upon the face of each bond shall be printed or engraved a *certificate*, signed by two or all of the parties of the second part hereto, to the effect that such bond is one of the 1320 bonds intended to be secured by these presents.

And whereas, said *Board of Directors* have further unanimously *Resolved*,—under and pursuant to lawful authority conferred upon said party of the first part by its charter and special acts aforesaid, in substance and legal effect,—that the President and Secretary of said party of the first part, execute and acknowledge in its name, and on its behalf, and under its corporate seal, deliver to said parties of the second part hereto, a mortgage or deed of trust, conveying, assigning and transferring to them in trust all its corporate, real and personal property, franchises, and effects, as security for the payment of said 1320 bonds and the interest due and to grow due thereon; and that such mortgage or deed of trust should contain all and singular the covenants, provisos, and conditions hereinafter set forth, and that such mortgage or deed of trust, and the 1320 bonds thereby secured, be severally dated November 1st, A. D. 1858.

And whereas, said 1320 bonds contain express agreements, stipulations or provisions, in substance and legal effect as follows—in case said party of the first part hereto shall, for the space of thirty days make default in the payment of the semi-annual interest due or to become due upon any or either of said 1320 bonds; or in case said party of the first part shall fail, as hereinafter provided and covenanted, to create and maintain a SINKING FUND to be applied in payment of said 1320 bonds and the inter-

est due or to grow due thereon as hereinafter mentioned,—that then, and in either of said cases, after the lapse of thirty days, the whole principal sum of each and all said 1320 bonds shall immediately become due and payable, anything in said bonds to the contrary thereof notwithstanding.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, That the said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part hereto, under, pursuant to, and by virtue of the express powers and authority conferred upon and vested in it by its charter and said special acts aforesaid,—and under and pursuant to Resolutions duly passed and adopted by its *Board of Directors*,—and which are duly entered upon the official minutes of the said *Board*,—and for and in consideration of the foregoing premises, and especially for the purpose and with the intent of the better and more effectually securing the payment of said 1320 bonds with the interest due and to grow due thereon,—and for and in consideration of one dollar and other moneys, lawful money of the United States of America, by said parties of the second part hereto, in hand fully and truly paid to the said party of the first part hereto, before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged,—HATH granted, bargained, sold, assigned, transferred and set over, enfeoffed, conveyed and confirmed, and by these presents DOTH grant, bargain, sell, assign, transfer and set over, enfeoff, convey and confirm to the said ALEXANDER STUDWELL, LUCIUS HOPKINS, and GEORGE T. COBB, the said parties of the second part, as trustees and IN TRUST, and to the survivors and survivor of them and to their and his successors or successor,—ALL and singular the railroad of the said party of the first part hereto, constructed, or hereafter to be constructed from the town of Jacksonville in Morgan County, Illinois, to the junction with the *Peoria and Hannibal Railroad*, in Peoria County, Illinois, and all future extensions of said railroad as now authorized by the charter and special acts aforesaid, *together* with all its lands, tenements and hereditaments acquired and appropriated, or which shall hereafter be acquired and appropriated for the purpose of a right of way, for a single or a double track railroad, and all the appurtenances thereunto belonging; *and also*, all its lands acquired and appropriated, or which shall hereafter be acquired and ap-

propriated for depots, engine houses, car houses, station houses, warehouses, machine shops, work shops, superstructures, erections, and fixtures ; *and also*, all and singular the franchises, rights and privileges now owned, possessed or acquired, or which shall hereafter be owned, possessed or acquired by said party of the first part ;—*and also*, all the rails, bridges, ways, piers, depots, engine houses, car houses, station houses, warehouses, machine shops, work shops, erections, superstructures, fixtures, privileges, franchises and rights of said party of the first part, and all the lands, tenements, hereditaments, and real estate acquired and appropriated wheresoever and whatsoever, or now owned by said party of the first part, or which shall hereafter be owned by it ; *and also*, all and singular the locomotives, tenders, passenger cars, freight cars, and all other cars, carriages, tools, machinery and equipment for said railroad, and now owned, or which shall hereafter be owned or acquired by said party of the first part ; *and also*, all goods and chattels, now owned or which shall hereafter be owned by said party of the first part, and in any way relating or appertaining or belonging to or connected with said railroad or the running or operating the same, together with all rents, issues, income, profits, moneys, rights, benefits and advantages derived or to be derived, had, or received therefrom by said party of the first part in any way whatsoever.

TO HAVE AND TO HOLD all and singular the premises, rights, franchises, property, real and personal, hereinbefore and hereby assigned, mortgaged, pledged and conveyed, or intended so to be, and every part and parcel thereof, with all the appurtenances unto the same belonging or in anywise appertaining, unto them the said ALEXANDER STUDWELL, LUCIUS HOPKINS and GEORGE T. COBB, the said parties of the second part hereto, and to the survivors and survivor of them, and to their and his successors and successor, and their and his assigns, IN TRUST for the person or persons, firm or firms, bodies politic or corporate who have heretofore, or who shall hereafter, at any time, become the purchasers, or holders, or owners of any or either of said 1320 bonds amounting in the aggregate to \$1,020,000 and no more,—subject to the terms, provisos, and stipulations in said 1320 bonds contained,—and subject also to the provisions of the several acts of the said General Assembly of the State of Illinois affecting or relating to

or binding upon the said party of the first part,—and also subject to the possession and management of said railroad and property by said party of the first part and its successors or assigns, so long as no default shall be made in the payment of either the interest or principal of said 1320 bonds, or any or either of them, and so long as the said party of the first part shall well and truly observe, keep and perform all and singular the covenants, agreements, conditions and stipulations in said 1320 bonds, and in this indenture contained and set forth, and which are to be observed, kept and performed by and on the part of said party of the first part.

And the said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part, HATH covenanted and agreed, and by these presents DOTH, for itself, its successors and assigns, covenant and agree to and with the said parties of the second part hereto, and the survivors and survivor of them and their and his successors or successor, in manner and form following, that is to say :—

FIRST—That said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part, and its successors, shall and will pay or cause to be paid all taxes, charges, rates, levies, and assessments imposed, assessed or levied, or which may hereafter be imposed, assessed or levied upon the premises, franchises and property hereby mortgaged, conveyed and assigned or intended so to be ; and shall and will, at its own proper cost, expense and charges, do or cause to be done all acts and things necessary or proper to be done or performed, in order to preserve and keep valid and intact the line or encumbrance upon all and singular the aforesaid premises, property and franchises, hereby created or intended so to be ; *and further*, that the lien or encumbrance, created by the execution and delivery of this indenture, constitutes, and is, in fact, the *first* valid lien and encumbrance upon the premises, property and franchises there indescrbed ; *and further*, that said ILLINOIS RIVER RAILROAD COMPANY and its successors, shall not and will not, at any time hereafter, take, or in any way or manner use, interpose, or avail itself of any extension laws, stop laws, valuation laws, appraisement laws, or any other laws of said State of Illinois, now in force, or hereafter to be enacted and in force in said State, and which alter, affect or impair,—or which are designed, intended or construed to alter, affect or change the rights and interests

of said parties of the second part, as herein declared, or which shall in any way impede or obstruct the mode or manner of realizing, perfecting or enforcing the rights and interests of any of the holders or owners of said 1320 bonds, as herein provided,—or which shall affect, change or alter the time, place, mode, means or manner of perfecting, enjoying or enforcing any of such rights or interests as the same are herein declared.

SECONDLY.—That said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part, and its successors, shall and will, at any time, or times, hereafter, and from time to time, execute, acknowledge and deliver, under its corporate seal, to the said parties of the second part and the survivors and survivor of them, and their and his successors or successor, all such further and other assurances, deeds, mortgages, obligations, transfers, indentures and instruments in writing, and shall and will do and perform all such further or other acts or things, as shall or may be proper or necessary, or as their or his counsel, learned in the law, shall deem necessary, proper or expedient for the better or more effectually securing the payment of said 1320 bonds and the interest due or to grow due thereon, or for carrying into effect the true intent, design, objects and purposes of these presents,—or making, preserving, continuing and keeping valid and effectual the lien and encumbrance created or intended to be created by the execution, delivery and recording of this indenture, upon all the property, real and personal, rolling stock, equipment, franchises and effects, now owned, possessed or acquired, or which shall hereafter be owned, possessed or acquired by said party of the first part.

THIRDLY.—And for the purpose of further and more effectually securing the payment of said 1320 bonds, together with the interest due or to grow due thereon, that said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part hereto, and its successors, shall and will pay or cause to be paid, as hereinafter mentioned, to the said *Importers and Traders' Bank*, in said city of New York, to the credit of its "Permanent Treasurer" in said

city, the entire net earnings and receipts of its said Railroad, at the time, in the manner, for the purposes, and as provided in and by a certain agreement or running arrangement, made by said party of the first part hereto with the *Chicago and Rock Island Railroad Company*, bearing date on or about the 27th day of September, A. D. 1858; and that said agreement or running arrangement, so made, as last aforesaid, while, and so long as any of said 1320 bonds are outstanding, or unredeemed, or unpaid, shall not be annulled or abrogated, nor altered, changed, or in any manner modified, so as to diminish or otherwise to divert or affect the payment of said net earnings and receipts to said *Importers and Traders' Bank*, to the credit of said "Permanent Treasurer," as now provided therein, unless the consent in writing thereto of said parties of the second part hereto, or of the survivors or survivor of them or their or his successors or successor, shall be first had and obtained; and further, that said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part hereto, and its successors, shall and will create and maintain, with and out of the net earnings and receipts of its railroad, so to be paid over to the said *Importers and Traders' Bank*, to the credit of its "Permanent Treasurer," in the City of New York, two funds; one to be denominated a "DEPRECIATION FUND," and the other a SINKING FUND;—that ten per cent. of said annual net earnings and receipts shall be annually set apart and held by said "Permanent Treasurer" as and for said *Depreciation Fund*, to be used and applied by him in keeping the rails and ties of said railroad in constant and safe working order, and also in meeting any extraordinary outlay in repairs of the track, bridges and trestle work connected with or belonging to said railroad, and which may have been occasioned by unforeseen accidents or casualties—and that the first payment or appropriation towards the creation of said *Depreciation Fund* shall be made on the first day of January, A. D. 1860; and that the entire residue of said earnings and receipts, so to be paid over to said *Importers and Traders' Bank*, shall be set apart and held by said "Permanent Treasurer" for the special purposes following, namely: *First*—That said "Permanent Treasurer" shall semi-annually apply so much and such part thereof as shall be necessary to meet and pay the semi-annual interest due, or which hereafter shall become due on each and all

of said 1320 First Mortgage bonds; and which shall or may be necessary to meet and pay the semi-annual interest which shall hereafter accrue on an issue of Second Mortgage bonds by the said party of the first part; PROVIDED, however, that only so much of said net earnings and receipts shall be used and applied in payment of interest on mortgage bonds as last aforesaid, as shall be necessary to pay the interest which shall accrue upon said *First* and *Second* mortgage bonds, amounting together and in the aggregate, at no one time, to more than \$1,300,000. SECONDLY—That the entire residue and remainder of said earnings and receipts so to be paid over to said *Importers and Traders' Bank*, to the credit of said "Permanent Treasurer," shall be by him set apart as and for said *Sinking Fund*, and shall be held by him subject to the order of, and to be used and applied (together with all *other* moneys which hereafter shall be had or appropriated from any source by said party of the first part to the *same Fund*), by the said parties of the second part hereto, or the survivors or survivor of them, or his or their successors or successor, in the payment or redemption at par, or under par, of so many of said 1320 bonds as such *Sinking Fund* shall, from time to time, be sufficient or adequate to pay and redeem. *It being understood and agreed* between the parties hereto, that in case the holders of said 1320 bonds shall refuse to surrender for cancellation such an amount thereof as shall be sufficient to exhaust, and to keep exhausted, from time to time, said *Sinking Fund*, then, and in such case, it shall be the imperative duty of said parties of the second part, and the survivor and survivors of them, their and his successors and successor, annually, from and after the first day of January, A. D. 1861, at said *Importers and Traders' Bank*, in the City of New York, to determine by lot, in a fair and impartial manner, which of said bonds shall be subject to payment and redemption, at par, out of said *Sinking Fund*, in manner following, that is to say—the numbers upon all the then outstanding and unpaid *First* mortgage bonds shall be placed in a box, each number on a single slip of paper, and so many and only so many of said slips of paper shall then be drawn by one of the parties of the second part hereto from said box, as shall be sufficient, in the amount of the bonds, represented by the numbers on such slips, to exhaust the said *Sinking Fund*; and the holders of the

bonds, corresponding in the numbers thereon with the numbers on the slips *so drawn*, shall be compelled to receive payment of the principal thereof and any interest which may be then due thereon, out of said *Sinking Fund*, and to surrender them, with the coupons thereon thereafter to become due, to said parties of the second part for cancellation; and the same shall be immediately so cancelled and mutilated as to render it impossible for any of such redeemed bonds or the coupons or interest warrants thereon, to be used or in any manner put in circulation for any purpose whatever; *and it is hereby declared* that all bonds *so drawn* and thus made subject to redemption and payment out of said *Sinking Fund*, shall thereafter cease to draw interest, and that the lien hereby created for *their* security shall thereafter cease and determine—and that public notice shall annually be given by advertisement, signed by one or more of the parties of the second part hereto, of the numbers of the bonds so drawn and made subject to redemption and payment out of said *Sinking Fund*. *It being understood and agreed* between the parties hereto that the first payment, or appropriation towards the creation of said *Sinking Fund* shall be made on the first day of July, A. D. 1860.

FOURTHLY.—That said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part hereto, HATH pledged and HEREBY DOTH irrevocably pledge, for the purposes and objects hereinbefore specified and in the manner aforesaid, to and with said parties of the second part and the survivors and survivor of them, their and his successors and successor, the ENTIRE NET earnings and receipts of its railroad so long and while any of said 1320 bonds shall be outstanding, unredeemed and unpaid.

FIFTHLY.—That said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part hereto, shall and will well and truly pay the said sums of money in said 1320 bonds mentioned, together with the semi-annual interest due or to become due thereon, at the rate of ten per centum per annum, at the times, in the manner, and at the place specified therein—and *further*, said ILLINOIS RIVER RAILROAD COMPANY hereby covenants and agrees, that in case it shall for the space of thirty days make default in the pay-

ment of the semi-annual interest due or to become due upon any or either of said 1320 bonds—or in case it shall fail to create and maintain with and out of the net earnings and receipts of its railroad, as hereinbefore provided, a *Sinking Fund* for and to be applied in payment or redemption of said 1320 bonds in the manner hereinbefore specified,—then, and in either of said cases, after the lapse of said thirty days, the whole principal sum, mentioned in each and all of said 1320 bonds, shall forthwith be and become due and payable, and the lien or incumbrance hereby created for the security and payment thereof, may be at once enforced, any thing in said bonds or in this indenture to the contrary thereof, notwithstanding; and that it shall and may be lawful, and the said parties of the second part, and the survivors and survivor of them, and their and his successors or successor, are hereby expressly authorized and empowered upon the request, in writing, of any two or more holders of any of said 1320 bonds, to enter into and upon and to take actual possession of all and singular the railroad, premises, franchises, rights, property, real and personal, and effects hereby granted, conveyed, assigned, mortgaged, pledged, transferred and set over, or intended so to be, as a security for the payment of said 1320 bonds, and by themselves, or their agents, to take, collect and receive the tolls, earnings, income and profits thereof, and of every part thereof, or to be derived therefrom;—and that they, said parties of the second part, and the survivors and the survivor of them and their and his successors and successor, shall and may proceed, and are hereby expressly authorized and empowered *thereupon*,—but within such reasonable time as they may deem proper, not less than sixty days, and upon and after public notice by advertisement of at least eight weeks in one or more newspapers published in the cities of Pekin, Peoria, Alton, Springfield and Chicago in said State of Illinois,—to *proceed to sell* at public auction, in said city of Pekin, to the highest bidder, as well all and singular, the said railroad, rights and franchises, as all other the property, real and personal, and premises hereby granted, conveyed, assigned, mortgaged, pledged, transferred and set over or intended so to be, and all benefit and equity of redemption, whatsoever, of the said ILLINOIS RIVER RAILROAD COMPANY the said party of the first part hereto, of, in, and to the same and

every part and parcel thereof—together with the benefit of the franchise belonging thereto or connected therewith; and as the attorney or attorneys of the said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part hereto, for that purpose by these presents duly appointed and constituted, the said parties of the second part and the survivors and survivor of them, and their and his successors and successor shall have full power and authority to make, execute and deliver to the purchaser or purchasers thereof, good, valid and sufficient deed or deeds, conveyance or conveyances, assignments or transfers, in fee simple, or otherwise, of said railroad, lands, tenements and real estate, and of all and singular the said personal or other property, rights and premises hereby granted, assigned, transferred or conveyed as aforesaid—which sale so to be made as aforesaid, and which deeds, conveyances, assignments and transfers so to be made and delivered as aforesaid, shall operate to convey, assign, transfer and vest in said purchaser or purchasers all the right, title, interest and estate whatsoever, reversionary or otherwise, of the said ILLINOIS RIVER RAILROAD COMPANY the party of the first part, of, in, and to the premises so sold, conveyed, assigned, or transferred—and which said sale so to be made shall be a complete and a perpetual bar, both at law and in equity, against said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part, its successors and assigns, and all persons or parties claiming by, from, or under it or them in any wise or manner whatsoever;—and that out of the moneys or proceeds arising either from said tolls, earnings or receipts of said railroad and premises, or out or from said sale so to be made as aforesaid, after first deducting the expenses, disbursements, costs, charges and counsel fees incurred in and about the conducting of said sale, or the running and operating said railroad, that they the said parties of the second part and the survivors and survivor of them, their and his successors or successor, shall pay said 1320 bonds or so many as shall be then outstanding and unpaid, together with all arrears of interest then due or owing upon the same, rendering or paying over the surplus of all such moneys, if any there shall be, to the said party of the first part hereto, its successors or assigns.

THIS INDENTURE FURTHER WITNESSETH, and these presents are

upon the express condition, that upon the payment in full of said 1320 bonds and the interest due thereon, then these presents and the estate hereby granted, shall cease and be void, and the said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part, shall be immediately and fully reinvested with the said premises, hereby granted, in law and in fact, without any entry or other act whatever—and that until default shall be made by said party of the first part hereto, either in the payment of said 1320 bonds, or in the payment of the interest due or to grow due thereon, as aforesaid, or in keeping and observing any of its covenants and agreements hereinbefore contained, the said ILLINOIS RIVER RAILROAD COMPANY, the party of the first part, and its successors and assigns, shall remain in the quiet and peaceable possession and enjoyment of the said premises and property hereby granted or conveyed, or intended so to be as aforesaid.

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly agreed, that in case of the death, resignation, incapacity, or inability of any or either of the parties of the second part to act in the execution of any of the trusts aforesaid, then it shall and may be lawful, and the remaining, acting, surviving, or competent trustee or trustees, and the president, for the time being, of said party of the first part, are hereby empowered to select and appoint, by an instrument in writing, under their hands and seals, (which shall be recorded in the same offices where this Indenture shall be recorded,) one or more competent persons to fill the vacancy or vacancies so created in manner aforesaid—and that such person or persons so appointed trustee or trustees, shall have and possess, and be vested with, the same rights and powers as a trustee or trustees as he or they would have had and possessed, or been vested with, had he or they been originally made a party or parties of the second part to this Indenture, and shall perform the same duties in all respects,—and until such appointment shall be so made in manner aforesaid, and notwithstanding any vacancy or vacancies as aforesaid, said remaining, surviving, acting, or competent trustee or trustees, shall have full power and authority to execute each and all the trusts hereby created, and their and his acts in the premises shall be as legal, valid and effectual in all respects, and to all intents and purposes,

as if the same acts had been done and performed by *all* the parties hereto of the second part,—and in case said appointment shall be made in manner aforesaid, the said party of the first part hereby covenants to make, execute, and deliver, all such other or further instruments, deeds, indentures, or assurances, as may be necessary to enable the person or persons so appointed to execute the trusts hereby created and declared, as fully and perfectly in all respects as he or they could have executed the same if originally made a party or parties of the second part to this Indenture.

IN WITNESS WHEREOF, the said *Illinois River Railroad Company*, the party of the first part hereto, hath caused these presents to be subscribed by its *President* and attested by its *Secretary*, and hath, under the express authority of a resolution of its Board of Directors, [SEAL] caused its *corporate seal* to be hereunto affixed—and the said parties hereto of the second part, for the purpose of signifying their acceptance of the trusts herein and hereby created, have hereunto subscribed their names and affixed their respective seals—all done the day and year first above written.

RICHARD S. THOMAS,

President of the Illinois River Railroad Company.

M. H. L. SCHOOLEY,

Secretary of the Illinois River Railroad Company.

A. STUDWELL. [SEAL].

LUCIUS HOPKINS. [SEAL].

G. T. COBB. [SEAL].

SEALED AND DELIVERED }
IN PRESENCE OF }

J. A. ARENZ as to

R. S. THOMAS AND M. H. L. SCHOOLEY.

J. C. LAWRENCE as to

A. STUDWELL, LUCIUS HOPKINS, and G. T. COBB.

STATE OF ILLINOIS, }
Cass County, } ss.

BE IT REMEMBERED, that on this twenty-second day of November, 1858, before me, the undersigned, a Notary Public within and for the county of Cass, and State of Illinois aforesaid, duly commissioned and sworn, personally appeared *Richard S. Thomas*, President of the *Illinois River Railroad Company*, and *Mahlon H. L. Schooley*, the Secretary of the said Company, and to me severally and personally known as the President and the Secretary of said Company, and as the real persons by whom and in whose names, as such President and Secretary, the foregoing instrument was subscribed and executed—and they severally acknowledged before me that they severally subscribed and executed the foregoing instrument for and in behalf of and *as the act and deed* of said Company, for the uses and purposes therein expressed, under express authority of resolutions of its *Board of Directors* duly passed and adopted—and the said *Richard S. Thomas*, President as aforesaid, and said *Mahlon H. L. Schooley*, Secretary as aforesaid, being by me duly and severally sworn, severally deposed as follows, that he knows the *corporate seal* of said Company, and that the seal affixed to the foregoing instrument is the corporate seal of said Company, and was so affixed by the express order and direction of its *Board of Directors* and under the authority of Resolutions duly passed and adopted by said *Board* and entered upon the minutes of its proceedings.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my seal notarial this twenty-second [L. S.] day of November, A. D. 1858.

JOHN A. ARENZ,
Notary Public in and for Cass County,
and State of Illinois.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } ss.

Be it remembered that on this thirteenth day of November, A. D., 1858, before me, the undersigned, a Commissioner in and for the city and county of New York, appointed by the Governor of the State of Illinois under the laws of said State, with full power and authority to administer oaths and affirmations, and to take testimony and depositions and acknowledgments and proof of deeds and instruments in writing, under seal, to be used and recorded in the said State of Illinois, duly commissioned and qualified, personally appeared ALEXANDER STUDWELL, LUCIUS HOPKINS and GEORGE T. COBB, to me personally known as the persons described in and who executed the foregoing instrument, and they severally acknowledged that they had executed the same for the uses and purposes therein specified.

IN TESTIMONY WHEREOF I have hereunto subscribed
my name and affixed my official seal, the day
[L. s.] and year above written.

JOSEPH C. LAWRENCE,
*Commissioner for the State of Illinois,
in and for the County of New York.*

CERTIFICATES

OF THE

Recording of the Foregoing Mortgage or Deed of Trust,

ENDORSED ON THE SAME.

RECORDER'S OFFICE.

STATE OF ILLINOIS, }
Peoria County, } ss.

I, ENOCH F. SLOAN, Clerk of the Circuit Court in and for the county of Peoria, in the State of Illinois, and *ex-officio* Recorder of Deeds in said county, do hereby certify, that the annexed mortgage or trust deed was filed for record in my office on the 26th day of November, A. D. 1858, at half past 9 o'clock A. M., and has been duly recorded forthwith, with the accompanying certificates, on pages 324 and following, in Book Z A, in said Recorder's office.

IN WITNESS whereof, I hereto set my hand and affix the seal of the said Circuit Court, at my office in
[L. s.] Peoria, this 27th day of November, A. D. 1858.

ENOCH P. SLOAN,
Clerk and Recorder.

STATE OF ILLINOIS, }
Tazewell County, } ss.

I, MERRILL C. YOUNG, Clerk of the Circuit Court and *ex-officio* Recorder of Deeds within and for said county and State aforesaid, do hereby certify that the foregoing and within mortgage or trust deed was entered for record and duly recorded in my said office of Recorder for said Tazewell County, in Book marked "H." "Mortgages," commencing on page 492 thereof, and continued on the succeeding pages until the record of the same is fully completed, on this 26th day of November, A. D. 1858.

WITNESS my hand and official seal, at the city of Pekin,
[L. s.] the day and year last aforesaid,

MERRILL C. YOUNG,
Clerk and Ex-officio Recorder of Deeds, within and for said County and State.

STATE OF ILLINOIS, }
 County of *Mason*, } ss.

I, RICHARD RITTER, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid county and State, do hereby certify that the annexed and foregoing deed of trust or mortgage (executed by the Illinois River Railroad Company), to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., dated November 1st, 1858), was duly filed in my said office of Recorder, and duly recorded in Book K of mortgages, on page 201 and the next following pages, on the 29th day of November, A. D., 1858.

[L. s.] IN TESTIMONY whereof, I have hereunto subscribed my name and affixed the seal of said Court (which is my official seal), at my office in Havana, in said county and State, this 30th day, of November, A. D. 1858.

R. RITTER,

*Clerk of the Circuit Court, and Ex-officio Recorder of Deeds, &c.,
 within and for the County and State aforesaid.*

STATE OF ILLINOIS, }
 County of *Cass*, } ss.

I, JAMES TAYLOR, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid county and State, do hereby certify that the annexed and foregoing mortgage or deed of trust (executed by the Illinois River Railroad Company to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., bearing date November 1st, A. D. 1858), was duly filed and recorded in my said office of Recorder, on the 23d day of November, A. D. 1858, in Book D of Mortgages, on page 503 and the next following pages.

[L. s.] IN TESTIMONY whereof, I have hereunto subscribed my name and affixed the seal of said court (which is my official seal), at my office in Beardstown, in said county and State, this 23d day of November, A. D. 1858.

JAMES TAYLOR,

*Clerk of the Circuit Court, and Ex-officio Recorder of Deeds, &c.,
 within and for the County and State aforesaid.*

STATE OF ILLINOIS, }
County of Morgan, } ss.

I, CHARLES HARDIN, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid county and State, do hereby certify that the annexed and foregoing mortgage or deed of trust (executed by the Illinois River Railroad Company to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., bearing date November 1st, A. D. 1858), was duly filed and recorded in my said office of Recorder on the 24th day of November, A. D. 1858, in Book N of Mortgages, on pages 65, 66, 67, 68, 69, 70, 71, 72, 73, and 74.

[L. s.] IN TESTIMONY whereof, I have hereunto subscribed my name and affixed the seal of said court (which is my official seal), this 6th day of December, A. D. 1858, at my office in Jacksonville, in said county.

CHARLES HARDIN, *Clerk.*

CERTIFICATES OF THE CLERKS

AS TO OTHER MORTGAGES, CONVEYANCES, &c.

STATE OF ILLINOIS, }
County of Peoria, } ss.

I, ENOCH P. SLOAN, Clerk of the Circuit Court and *ex-officio* Recorder of Deeds, &c. within and for the aforesaid county and State, do hereby certify that I have searched in my office for all judgments and decrees docketed in said office against the Illinois River Railroad Company, and for all deeds, leases, mortgages, conveyances, and incumbrances, executed by or on behalf of said company upon its railroad and other property, real, personal or chattel, and there is not any judgment or decree docketed in said office against said Railroad Company, and that there is not any deed, lease, mortgage, conveyance or other incumbrance, executed by or on behalf of said Illinois River Railroad Company on file or of record in said office upon or against any of the property, real, personal or chattel, of said Railroad Company, except a mortgage or deed of trust executed by the said Railroad Company to Alexander Studwell, Lucius Hopkins, and George T. Cobb, Trustees, &c., bearing date the first day of

November, A. D. 1858, and recorded on the 23th day of November, A. D. 1858, in book "Z A" in my office on page 304, and the next following pages.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of said court (which is my [SEAL] official seal) at my office, in the city of Peoria, in said county, on this 1st day of December, A. D. 1858.

ENOCH P. SLOAN,

Clerk of the Circuit Court and ex-officio Recorder of Deeds in and for said County.

STATE OF ILLINOIS, }
County of Tazewell, } ss.

I, MERRILL C. YOUNG, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid County and State, do hereby certify that I have searched in my office for all judgments and decrees docketed in said office against the Illinois River Railroad Company, and for all deeds, leases, mortgages, conveyances, and other incumbrances executed by or on behalf of said Company, upon its railroad and other property, real, personal, or chattel; and that there is not any judgment or decree docketed in said office against said Railroad Company, and that there is not any deed, lease, mortgage, conveyance, or other incumbrance, executed by or on behalf of said Illinois River Railroad Company, on file or of record in said office, upon or against any of the property, real, personal, or chattel, of said Railroad Company, except a mortgage, or deed of trust, executed by said Railroad Company to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., bearing date the first day of November, A. D. 1858, and recorded on the 26th day of November, A. D. 1858, in Book "H" of Mortgages, beginning on page 492, and continued on the next following pages.

IN TESTIMONY whereof, I have hereunto subscribed my name, and affixed the seal of said Court (which is my official seal), at my office in Pekin, in said county, this 29th day of November, A. D. 1858.

MERRILL C. YOUNG,

Clerk, &c., and ex officio Recorder of Deeds, &c., within and for the aforesaid County and State.

STATE OF ILLINOIS, }
 County of *Mason*, } ss.

I, R. RITTER, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid County and State, do hereby certify that I have searched in my office for all judgments and decrees docketed in said office against the Illinois River Railroad Company, and for all deeds, leases, mortgages, conveyances, and other incumbrances, executed by or on behalf of said Company, upon its railroad and other property, real, personal, or chattel; and that there is not any judgment or decree docketed in said office against said Railroad Company, and that there is not any deed, lease, mortgage, conveyance, or other incumbrance, executed by or on behalf of said Illinois River Railroad Company, on file or of record in said office, upon or against any of the property, real, personal, or chattel, of said Railroad Company, except a mortgage, or deed of trust, executed by the said Railroad Company, to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., bearing date the first day of November, A. D. 1858, and recorded on the 29th day of November, A. D. 1858, in Book K of Mortgages, on pages 201 and succeeding pages.

IN TESTIMONY whereof, I have hereunto subscribed my name, and affixed the seal of said Court, (which is my official seal), at my office in Havana, in the County and State aforesaid.

R. RITTER,

Clerk of the Circuit Court, and ex-officio Recorder of Deeds, &c., within and for the County and State aforesaid.

STATE OF ILLINOIS, }
 County of *Cass*, } ss.

I, JAMES TAYLOR, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid County and State, do hereby certify that I have searched in my office for all judgments and decrees docketed in said office against the Illinois River Railroad Company, and for all deeds, leases, mortgages, conveyances, and incumbrances, executed by or on behalf of said Company upon its railroad and other property, real, personal or

chattel; and that there is not any judgment or decree docketed in said office against said Railroad Company; and that there is not any deed, lease, mortgage, conveyance, or other incumbrance, executed by or on behalf of said Illinois River Railroad Company on file or of record in said office upon or against any of the property, real, personal, or chattel, of said Railroad Company, except a mortgage, or deed of trust, executed by the said Illinois River Railroad Company, to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., bearing date the first day of November, A. D. 1858, and recorded on the 23d day of November, A. D. 1858. in Book D of mortgages, on pages 503, 504, 505, 506, 507, 508, 509, and 510.

IN TESTIMONY whereof, I have hereunto subscribed my name, and affixed the seal of said Court (which is my official seal), at my office in Beardstown, in said county, this 23d day of November, A. D. 1858.

JAMES TAYLOR,

Clerk of the Circuit Court, and ex-officio Recorder of Deeds, &c., within and for the County and State aforesaid.

STATE OF ILLINOIS, }
County of Morgan, } ss.

I, CHARLES HARDIN, Clerk of the Circuit Court, and *ex-officio* Recorder of Deeds, &c., within and for the aforesaid County and State, do hereby certify that I have searched in my office for all judgments and decrees docketed in said office against the Illinois River Railroad Company, and for all deeds, leases, mortgages, conveyances, and incumbrances, executed by or on behalf of said Company upon its railroad and other property, real, personal, or chattel; and that there is not any judgment or decree docketed in said office against said Railroad Company, and that there is not any deed, lease, mortgage, conveyance, or other incumbrance executed by or on behalf of said Illinois River Railroad Company, on file or of record in said office, upon or against any of the property, real, personal, or chattel, of said Railroad Company, except a mortgage, or deed of trust, executed by the said Railroad Com-

pany to Alexander Studwell, Lucius Hopkins, and George T. Cobb, trustees, &c., bearing date the first day of November, A. D. 1858, and recorded on the 24th day of November, A. D. 1858, in Book N of mortgages, on pages 65, 66, 67, 68, 69, 70, 71, 72, 73, and 74.

[SEAL.]

IN TESTIMONY whereof, I have hereunto subscribed my name and affixed the seal of said Court (which is my official seal), at my office in Jacksonville, in said County and State, this 6th day of December, A. D. 1858.

CHARLES HARDIN,

*Clerk of the Circuit Court, and ex-officio Recorder of Deeds,
&c., within and for the County and State aforesaid.*

Running Agreement

BETWEEN THE

ILLINOIS RIVER RAILROAD COMPANY

AND THE

CHICAGO & ROCK ISLAND RAILROAD COMPANY,

Dated September 27th, 1858.



MEMORANDUM OF AN AGREEMENT BETWEEN THE ILLINOIS RIVER RAILROAD COMPANY, party of the first part, and THE CHICAGO AND ROCK ISLAND RAILROAD COMPANY, party of the second part, both bodies corporate, located in, and organized under, the laws of the State of Illinois.

WHEREAS the *Illinois River Railroad Company* aforesaid, party of the first part hereto, is desirous of raising money by the sale of its bonds, to purchase iron and complete its road, and has entered into and completed negotiations for the same, provided certain running arrangements are made with the *Chicago and Rock Island Railroad Company*, the party of the second part hereto, by which the *Chicago and Rock Island Railroad Company* are to agree to furnish the cars and locomotives necessary for the running of the *Illinois River Railroad*.

NOW, THEREFORE, THIS AGREEMENT, made this twenty-seventh day of September, in the year one thousand eight hundred and fifty-eight, between the said parties hereto, WITNESSETH, that the said party of the first part, for and in consideration of the premises, and of One Dollar to it in hand paid, and of the covenants and agreements of the party of the second part hereinafter contained, hereby covenants and agrees to and with the said party of the second part, as follows :

FIRST. *That* the said party of the first part will finish its entire line of road from its junction with the Peoria and Hannibal Railroad, in Peoria County, Illinois, to the town of Jacksonville, in Morgan County, in the State of Illinois, by the first day of September, in the year one thousand eight hundred and fifty-nine, or at farthest by the first day of January, in the year one thousand eight hundred and sixty, and put the same, with appurtenances and fixtures, in complete running order for economical operation (with the exception of cars, locomotives, and machine shops) to the satisfaction of Henry Farnam and John F. Tracy, or the survivor of them in case of the death of either, as to the completion of said road, and to make such arrangements with the Peoria and Hannibal Railroad Company as will enable the parties of the first part to connect their track with the track of the Peoria and Bureau Valley Railroad Company, in the city of Peoria.

SECOND. *That* said party of the first part will pay to the party of the second part ten per cent. interest per annum, on the amount of rolling stock that shall be furnished by the said party of the second part, for the said party of the first part, as hereinafter provided for—said payment to be made semi-annually, out of the gross earnings of the road as hereinafter specified.

THIRD. *That* said party of the first part will appoint the General Superintendent of the Chicago and Rock Island Railroad Company, for the time being, to be Superintendent of the *Illinois River Railroad Company*, for and during the continuance in force of this contract and running arrangement, who shall have full power to operate the latter road at the expense and cost of the party of the first part, as herein provided for.

And the said party of the second part, for and in consideration of the premises, and of the sum of One Dollar, to it in hand paid, and of the covenants and agreements of the said party of the first part herein contained, covenants and agrees to and with the said party of the first part, that if the said party of the first part shall, on its part, fulfill its agreements herein contained, the said party of the second part doth covenant and agree as follows :

FIRST. *That* said party of the second part will at all times during the term of this agreement, furnish and employ so many passenger, freight, and other cars, and so many locomotives, as shall be sufficient safely and fully to perform, with economy, all the transportation business, passenger, freight, and other business, which shall be offered along the line of the whole road; a proper proportion of said rolling stock to be furnished as soon as ten consecutive miles of said road, and of the Peoria and Hannibal Railroad together, to wit, from Peoria city to the city of Pekin, are completed, ready for being operated; and for each ten miles completed in continuation, another proper proportion of said rolling stock to be furnished, and so on until the entire line of said road shall be completed and stocked; the amount, kind, and value of rolling stock so to be furnished by the Chicago and Rock Island Railroad Company, shall be determined and agreed upon by the Presidents of the two Railroad Companies aforesaid, or in such other mode as said Presidents may determine upon, before the same are placed upon the Illinois River Railroad, for being used and operated thereupon; and said Presidents shall make and sign duplicate copies of the agreement, thus fixing the amount, kind, and value of the rolling stock so to be furnished for the use of the Illinois River Railroad as aforesaid, one of which duplicates shall be retained by each Company, and from its execution shall be a part of this contract; and said rolling stock shall remain the property of the party of the second part, until paid for as herein provided for, but shall be maintained, renewed, and kept in full and complete repair, at the expense and cost of the party of the first part in manner herein specified.

SECOND. *That* the said party of the second part shall and will, and are hereby declared to be bound to sell to the said party of the first part, at the fair appraised value thereof at the time said equipments shall be put on the road, at any time within five years after the same shall be put on the road, any part or parcel thereof, furnished hereafter by the party of the second part, to the party of the first part hereto, and at such periods and in such quantities as said *Illinois River Railroad Company* may find it convenient and have funds to pay for; or said *Illinois River Railroad Company* may, within three years from the first day of January, in the year one thousand eight hundred and sixty, and in

like quantities, replace said rolling stock by other rolling stock to be purchased of other parties, and as fast as any portion of said rolling stock is so purchased or replaced, just in that proportion shall the original estimates for equipments on which the ten per cent. per annum is to be paid, be reduced and the interest cease.

THIRD. *That* the said party of the second part shall and will as the agent of the party of the first part, and through the Superintendent aforesaid, operate the said Illinois River Railroad with the same reasonable care and diligence as it uses in operating its own road, and run daily when practicable (Sundays excepted) so many passenger and freight trains over said Illinois River Railroad, and every part of it, as may be necessary for a proper and economical operation thereof, having a just regard to the true interests of its owners, and shall and will use the same strict economy in the operation of said road, and in everything appertaining to said road, as is now exercised, or may hereafter be exercised in operating the Chicago and Rock Island Railroad, or the Peoria and Bureau Valley Railroad; and that the said party of the second part will, during the term of this running arrangement, use the same care and diligence to keep said Illinois River Railroad, with its bridges, culverts, trestle work, fixtures, and appurtenances, and all equipments to be furnished as aforesaid, in good and proper repair, as is used on its own road, to make it safe and convenient for the running of passenger and freight trains over it. The expense of making all such repairs and renewals when necessary, is to be paid out of the gross earnings of said road, and charged as a part of its running and operating expenses, provided the "Depreciation Fund" set apart by said *Illinois River Railroad Company* in the hands of its Permanent Treasurer in the city of New York, is not sufficient for paying for such repairs, said "Depreciation Fund" to be paid out by said Permanent Treasurer, to the Chicago and Rock Island Railroad Company, upon the order of such Company, as needed or as otherwise agreed upon, in writing, between said Permanent Treasurer and the Chicago and Rock Island Railroad Company; a copy of such agreement to be given to said *Illinois River Railroad Company*.

FOURTH. *That* said party of the second part shall and will run and operate the road of the said party of the first part, as its agent during the whole time this contract shall continue in force

as herein provided, at not less rates or charges for fare of passengers, or for freights, than shall be charged from time to time for the same service on the line of its own roads from Chicago to Peoria, without the consent of the *Illinois River Railroad Company*, and shall and will fully perform all mail contracts which shall be made by and between said *Illinois River Railroad Company* and the Government of the United States.

FIFTH. *That* the gross earnings of the Illinois River Railroad shall embrace all receipts from passengers and freights over the line of said road, and all moneys received for carrying the mails and for transporting express matter, or other things, and also in addition, five per cent. upon all moneys received or realized by the Chicago and Rock Island Railroad Company, for transporting over its own road (including the Peoria and Bureau Valley Railroad) any freight, passengers, or express matter, or other things coming to its said line of road from Peoria to Chicago, from or over any part of the road of the party of the first part hereto, that shall go through to Chicago.

SIXTH. *That* the net earnings and receipts of the Illinois River Railroad, shall be what remains after deducting from its gross earnings as aforesaid. *First.* The actual monthly running and operating expenses. *Second.* The amount expended by it for necessary repairs as aforesaid, and interest on equipments as herein provided for. *Third.* The taxes upon the real and personal property of the *Illinois River Railroad Company*. *Fourth.* The annual compensation of the agent to be selected or nominated by Messrs. Hopkins, Cobb, and Studwell, or any two of them, as hereinafter mentioned, and approved by the *Illinois River Railroad Company*. *Fifth.* The cost and expenses which may be incurred in keeping up the organization, and thus preserving the franchises of said *Illinois River Railroad Company* during the term this running arrangement is in force. *Sixth.* All legal expenses necessarily incurred in enforcing or defending the rights or property of the *Illinois River Railroad Company*,—and that the entire residue which shall remain of said gross earnings as aforesaid, after the deductions aforesaid, shall be paid or deposited as often as once during every month, or at the end of each month by said *Chicago and Rock Island Railroad Company*, to or with the *Importers and Traders' Bank* in the city of New York, to the

credit of Alexander Studwell, *Permanent Treasurer of the Illinois River Railroad Company*; the cost of converting said funds into exchange on New York to be charged to operating expense account at current rates between Chicago or St. Louis, and New York, Provided that when funds current at Chicago, or St. Louis are forwarded to said Permanent Treasurer, that only the actual cost of sending the same by express shall be charged as aforesaid.

SEVENTH. *That* the said party of the second part shall and will, as such agent as aforesaid, collect and receive all moneys earned by the Illinois River Railroad, and shall pay out of the same: *First.* The operating expenses and necessary repairs and renewals upon said road and upon the equipments thereof, that may be due and unpaid, *Provided* the "Depreciation Fund" set apart by said *Illinois River Railroad Company* in the hands of its *Permanent Treasurer*, in the city of New York, is not sufficient for the purpose of paying for such repairs. *Second.* Any interest upon the amount of the value of the rolling stock furnished for the party of the first part as aforesaid, and not paid for. *Third.* The taxes upon the real and personal property of the *Illinois River Railroad Company*. *Fourth and Fifth.* The annual compensation of the agent to be selected or nominated by Messrs. Hopkins, Cobb, and Studwell, Trustees, or any two of them, and approved by the *Illinois River Railroad Company*, said agent being the same whose appointment is provided for in the contract of the party of the first part with Alexander Studwell, bearing date the twenty-seventh day of September, in the year one thousand eight hundred and fifty-eight. *Sixth.* The cost and expenses which may be incurred in keeping up the organization, and thus preserving the franchises of the *Illinois River Railroad Company* during the term said agreement is in force. *Seventh.* All legal expenses necessarily incurred in enforcing or defending the rights or property of the *Illinois River Railroad Company*. *Eighth.* The entire residue which shall remain of said gross earnings, as aforesaid, after the deductions or payments aforesaid, shall be paid or deposited as often as once every month by said *Chicago and Rock Island Railroad Company* to or with the *Importers and Traders' Bank*, in the city of New York, to the credit of Alexander Studwell, *Permanent Treasurer* of the *Illinois River Railroad Company*." PROVIDED, however, that these provisions shall not be construed so as to bind the said party of

the second part to pay over funds faster than collected, or to advance money for fuel, material, or for expenses, or for repairs, or charges on merchandise, to an amount larger in the aggregate than ten thousand dollars at any one time.

EIGHTH. *That* said party of the second part shall and will keep separate books of all the operations of the *Illinois River Railroad Company*; which books shall be opened and kept in the same manner, and with the same minuteness and particularity, as though said road was operated by said Company for itself; which books shall be at all reasonable times subject to the inspection and examination of the said Alexander Studwell or the selected agent of the *Illinois River Railroad Company* as herein provided, during the entire time that this agreement is in force. *Provided, however,* that when said First Mortgage Bonds are entirely redeemed and paid off, the right of the said Studwell to examine said books shall cease.

NINTH. *That* in interchanging cars and locomotives the party of the second part hereto shall keep a mileage account; and the customary rates charged for use of equipments and the usages commonly recognized and practiced upon between connecting railroads in like cases as the one here provided for, shall apply to and govern such account; and, for this purpose, in making up the account, the equipments on which the *Illinois River Railroad Company* is paying the party of the second part interest as aforesaid shall be treated as belonging to said *Illinois River Railroad Company*.

TENTH. *That* the said party of the second part shall and will, in making up the operating expense account, apportion the expenses of the general agencies between the two roads as the length of the Chicago and Rock Island Road and the Peoria and Bureau Valley Road, from Chicago to Peoria, is to the length run for the *Illinois River Railroad Company*, to wit, from Peoria to Jacksonville: *Provided,* nothing herein contained shall be understood to make the *Illinois River Railroad Company* liable to pay or be charged for any part of the general agency expenses for any of that part of the Chicago and Rock Island Railroad west of its junction with the Peoria and Bureau Valley Railroad, or for any general agency expenses, other than its fair *pro-rata*

proportion as aforesaid of such expenses on account of the line of said road between Chicago and Peoria.

ELEVENTH. *That* said party of the second part shall and will keep, make up, and deliver or send to the President of the *Illinois River Railroad Company*, regular monthly reports, containing full and accurate statements and account of the earnings, receipts, and expenditures, for each current month, from, by, or on account of the said *Illinois River Railroad*.

TWELFTH. *The* said party of the second part will pay during the time that this running arrangement shall continue in force, to the party of the first part, five per cent. upon all the moneys received or realized by it (the *Chicago and Rock Island Railroad Company*) for transporting over its own road or the *Peoria and Bureau Valley Railroad*, any freight, passengers, express matter, or other things, mails excepted, coming to said roads from or over any part of the road of the *Illinois River Railroad Company*, that shall go through to Chicago; said five per cent. to constitute a part of, and to go in with, and to be disposed of as, "gross earnings" of the *Illinois River Railroad Company*.

THIS ARRANGEMENT is to continue in force for twenty years from the first day of September, one thousand eight hundred and fifty-nine, unless the First Mortgage Bonds of the party of the first part upon its road shall be sooner paid off by the Sinking Fund provided for or to be provided for in the Deed of Trust of the *Illinois River Railroad*, in which case the *Illinois River Railroad* may put an end to it any time after said Bonds shall have been so fully paid off, and the accounts settled, or when the *Illinois River Railroad Company* is ready to make such settlement, or it (the *Illinois River Railroad Company*) may continue it, for the twenty years, at its option.

If any differences should arise between the parties hereto in reference to the performance or breach of any thing herein agreed upon, the same shall be submitted to a final award and arbitration of three disinterested persons, all of whom shall be agreed upon by both of said parties.

And for the purpose of showing the true intent and meaning of this contract, it is hereby declared that its true intent and meaning is, *First*, On the one part, to enable the *Illinois River Railroad Company* to complete and secure the proper, economical and advantageous operation of its road, through the aid of this running arrangement, and *Secondly*,—On the other part, to secure to the Chicago and Rock Island Railroad Company the benefits of an exclusive business connection between said Illinois River Railroad and the Peoria and Bureau Valley Railroad so as to obtain all the business coming to it from the Illinois River Railroad that can be obtained in that way.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their respective seals, and have caused these presents to be subscribed, on the part of said Chicago and Rock Island Railroad Company by Thomas C. Durant, Chairman of the Executive Committee thereof, and also as a Special Committee appointed for this purpose by said Executive Committee, and by Henry Farnam, President thereof, and on the part of said *Illinois River Railroad Company* by Richard S. Thomas, President, Agent and Attorney-in-fact thereof, the day and year first above written.

THE CHICAGO AND ROCK ISLAND RAILROAD CO.,

By THOS. C. DURANT,

Ch'n Ex. Com., and Special Committee for this purpose,

And by HENRY FARNAM,

President.

THE ILLINOIS RIVER RAILROAD COMPANY,

By RICHARD S. THOMAS,

As Agent and Attorney-in-fact, and also as President of said Company.

WITNESS :

WM. WALCOTT,

WM. H. HENDRICK.

ATTEST :

F. H. TOWS, *Secretary.*

M. H. L. SCHOOLEY,

Sec. Ill. Riv. R. R. Co.

STATE, CITY, AND COUNTY OF NEW YORK, ss. :

On this sixteenth day of November, eighteen hundred and fifty-eight, before me, Alexander Ostrander, a Notary Public residing in said city, and duly authorized by the laws of the State of Illinois to take the acknowledgment and proof of the execution of deeds and other instruments in writing to be used or recorded therein, personally came Thomas C. Durant, Henry Farnam, Francis H. Tows, and Richard S. Thomas, to me known to be the same persons described in and who executed the foregoing instrument, and severally acknowledged that they executed the same on behalf of the parties principals signified in their respective signatures; and the said Francis H. Tows being by me duly sworn, did on his oath say that said Farnam is President and said Durant is Chairman of the Executive Committee and is a Special Committee for the purpose of the business in which the foregoing instrument is made, and this deponent is Secretary of the Chicago and Rock Island Railroad Company, and that the above is the seal of said Company; and the said Richard S. Thomas, being by me duly sworn, on his oath said that he signed said instrument on behalf of the *Illinois River Railroad Company*, and is its agent and attorney in fact, and President, and authorized so to sign the same.

IN TESTIMONY WHEREOF I have hereunto set my hand and
affixed my official seal, in the city of New York
[L. s.] aforesaid, the day and year above written.

ALEX. OSTRANDER,
Notary Public.

STATE OF ILLINOIS, COUNTY OF CASS, ss.

On this 22d day of November 1858, before me, John A. Arenz, a notary public, within and for the County of Cass and State of Illinois aforesaid, duly commissioned and sworn, personally appeared Richard S. Thomas, to me personally known to be the same person described in, and who executed, the foregoing agreement between the Illinois River Railroad Company, and the Chicago and Rock Island Railroad Company, and acknowledged that he had executed the same on behalf of the *Illinois River Rail-*

road Company, as therein specified; and Mahlon H. L. Schooley, who is known to me to be the same person whose name is subscribed to the said agreement as Secretary of the said *Illinois River Railroad Company*, also on this day, personally appeared before me and acknowledged that he signed the same as such Secretary, and after being duly sworn, he did on his oath say that the said Richard S. Thomas is the President, and he (the said Schooley) is the Secretary of said *Illinois River Railroad Company*, and that the seal attached to said agreement, purporting to be the seal of the said *Illinois River Railroad Company*, is the genuine seal of said last-named Company.

[L. s.] In testimony whereof, I have hereunto subscribed my name and affixed my seal notarial, this 22d day of November, A. D. 1858.

JOHN A. ARENZ,
*Notary Public, in and for Cass County,
and State of Illinois.*

CERTIFICATES.

I have carefully examined the foregoing contract, or running arrangement, made and executed by and between the *Illinois River Railroad Company* and the Chicago and Rock Island Railroad Company, dated September 27th, 1858, and hereby approve of the same,—and am of opinion that it furnishes and provides a most reliable and substantial *additional* security for the payment of both the principal and interest due, or to become due, upon the first Mortgage Bonds of the *Illinois River Railroad Company*.

NEW YORK, *November 16th*, 1858.

JOHN CLEAVELAND,
No. 38 Wall Street.

I concur in the foregoing opinion of JOHN CLEAVELAND, Esq., and hereby approve of the foregoing contract and running arrangement. This approval is given by me in pursuance of and according to the requirements of the agreement made between the *Illinois River Railroad Company* and Alexander Studwell, dated September 27th, 1858.

NEW YORK, *November 16th*, 1858.

GEO. T. M. DAVIS,
No. 47 Exchange Place.

I approve of the foregoing contract or running arrangement, as being in accordance with the terms and provisions of my agreement with the *Illinois River Railroad Company*, dated September 27th, 1858.

NEW YORK, *November 16th*, 1858.

A. STUDWELL.

Proceedings of the Board of Directors,

NOVEMBER 20TH, 1858.

AT A MEETING OF THE BOARD OF DIRECTORS OF THE ILLINOIS RIVER RAILROAD COMPANY, held at Virginia, in the County of Cass, State of Illinois, this 20th day of November, 1858,

Present, R. S. THOMAS, President.

JOSHUA WAGENSELLER,	} <i>Directors.</i>
WM. THOMAS,	
B. S. PRETTYMAN,	
J. M. RUGGLES,	

The minutes and proceedings of the last meeting of this Board were read and approved.

The President then produced and read the forms of two bonds, one for \$1,000, and the other for \$500, which had been prepared by and under the direction of JOHN CLEAVELAND, Esq., of New York, as the forms of seven hundred and twenty \$1,000 bonds, and of six hundred \$500 bonds, in all thirteen hundred and twenty bonds, amounting in the aggregate to \$1,020,000, to be issued by this Company, and secured by a First Mortgage upon all its corporate property; and said forms of said bonds having been read and duly considered, it was unanimously *Resolved*, That the forms of said bonds so prepared be, and the same are in all respects hereby, approved and adopted by this Board, and that said bonds be dated November 1st, 1858, and that the President and Secretary of this Company be and they are hereby authorized and directed to sign the same as such President and Secretary, for and in behalf of this Company, and to affix to each of them the corporate seal of this Company, and

to issue, negotiate, and deliver the same for and in behalf of this Company ; and that a copy of one of each of said two forms of said bonds be, and the same is, hereby recorded upon the minutes of this meeting of said Board as follows, that is to say—(*Here is recorded a copy of a \$1,000 bond and a \$500 bond*). The President then produced and read to this Board a printed mortgage, or deed of trust, drawn and prepared by the said JOHN CLEVELAND, Esq., whereby this Company conveys all its corporate property, acquired and to be acquired, to *Alexander Studwell, Lucius Hopkins, and George T. Cobb*, as Trustees, which mortgage or deed of trust having been read, paragraph by paragraph, and all and singular the covenants, provisos, and conditions therein having been duly considered, discussed, and examined, on motion of William Thomas, IT WAS UNANIMOUSLY RESOLVED, That said mortgage or deed of trust, with all and singular the grants, covenants, conditions, and provisos therein, be, and the same were and are, hereby approved, ratified, adopted, and confirmed by this Board in all respects ; and that the President and Secretary of this Company be, and they are, hereby authorized and directed, as such President and Secretary, to execute, acknowledge, and deliver five originals of said mortgage or deed of trust, for and in behalf of and as the act and deed of this Company, and to affix to each of said originals the corporate seal of this Company, and to make each of said originals bear date November 1st, A. D. 1858, and to cause said mortgage or deed of trust to be duly recorded in each of the counties of Peoria, Tazewell, Mason, Cass, and Morgan, being the counties through which the railroad of this Company runs, and to cause the certificate of such recording to be made or endorsed by the several clerks of said counties upon *one* of said originals, and to deliver such original, with the several certificates of recording or filing endorsed thereon, to said Studwell, Hopkins, and Cobb. *It was further unanimously Resolved*, That said mortgage, or deed of trust, so produced to and adopted and approved by this Board be, and the same is, recorded and entered upon the minutes of this meeting of said Board of Directors as follows, that is to say, —(*Here is recorded the whole mortgage, or deed of trust.*)

And the said R. S. Thomas further stated to said Board, that under the special power conferred upon him as agent and attorney

in fact of this Company, under a resolution of this Board adopted on the 15th day of September, A. D. 1858, he had made and finally concluded, executed, and delivered, a contract or running agreement, for and in behalf of this Company, with the Chicago and Rock Island Railroad Company, and dated September 27th, 1858. *Whereupon* said contract, or running arrangement, with said Chicago and Rock Island Railroad Company was read, and after all the covenants, provisions, and stipulations therein had been duly considered, discussed, and examined, it was, on motion of Joshua Wagenseller, unanimously *Resolved*, That said contract with said Chicago and Rock Island Railroad Company, and all and singular the conditions, provisions, covenants, and stipulations therein, be, and the same are, hereby approved, adopted, and ratified, and in all respects confirmed, by and on the part of this Company.

Resolved, That said last-mentioned contract be recorded at length upon the minutes of this Board, and the same is so recorded and entered upon the minutes of this meeting, viz:

(Here is recorded the entire contract.)

It was further unanimously *Resolved*, That the Superintendent of the Chicago and Rock Island Railroad Company, for the time being be and he is hereby appointed the Superintendent of the Railroad of this Company, to hold such office and to perform its duties from the time said railroad shall be opened for the transportation of passengers and freight, until the first mortgage bonds of this Company are fully paid off and redeemed. And that Alexander Studwell, of the city and State of New York, be and he is hereby appointed *Permanent Treasurer* and *Financial Agent* of this Company in the city of New York, for the purposes specified in the agreement set forth in the minutes of the proceedings of this Board at its meeting held October 8th, 1858, and to hold such offices and perform the special duties incident thereto as described in said last-mentioned agreement, from the time the railroad of this Company is opened for the transportation of passengers and freight, and until its first mortgage bonds are fully paid off; PROVIDED, that he disburses and applies the moneys which shall come to his hands or under his control as such officer, only for the purposes and in the manner specified in the said last-mentioned agreement.

Resolved further, That the Secretary of this Company transmit to the trustees named in said mortgage or deed of trust, copies of the entire proceedings of this Board, at the meeting held October 8th, 1858, and copies of the entire proceedings at this meeting of this Board, certified under the corporate seal of this Company by said Secretary, except that said Secretary need not set forth the copies of the contracts with Alexander Studwell and the Chicago and Rock Island Railroad Company, or of the bonds or mortgage or deed of trust, but to state where in such original minutes such papers are respectively entered.

STATE OF ILLINOIS, COUNTY OF CASS, ss. :

I, *Mahlon H. L. Schooley*, Secretary of the Illinois River Railroad Company, CERTIFY, that the foregoing contains a full and accurate copy of all the proceedings of the Board of Directors of said Company, at their meeting begun and held at Virginia, in Cass County, in said State, on Saturday, the 20th day of November, A. D. 1858, as the same appear of record in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of said Company, at my office in Virginia, in the County of Cass, and State of Illinois, this 23d day of November, A. D. 1858.

[SEAL OF THE COMPANY.]

M. H. L. SCHOOLEY,
Sec. I. R. R. Co.

Proceedings of the Board,

NOVEMBER 26TH, 1858.

AT A MEETING of the *Board of Directors* of the ILLINOIS RIVER RAILROAD COMPANY, held at Pekin, in Tazewell Co., Illinois, on the 26th day of November, A. D., 1858,

PRESENT : R. S. THOMAS, PRESIDENT,

B. S. PRETTYMAN, }
J. M. RUGGLES, } DIRECTORS.

THE BOARD having received a communication from William Thomas, the only Director not present, recommending the appointment of Henry Farnam, of Chicago, as a director to fill the vacancy occasioned by the resignation of *Joshua Wagenseller*, on motion of B. S. Prettyman, it is RESOLVED, unanimously, that the said *Henry Farnam*, of Chicago, be and he is hereby appointed a Director of this Company, as the successor of the said *Joshua Wagenseller*.

STATE OF ILLINOIS, COUNTY OF CASS, ss. :

I, MAHLON H. L. SCHOOLEY, SECRETARY of the *Illinois River Railroad Company*, CERTIFY that the foregoing is a true copy of a preamble and resolution adopted by the *Board of Directors* of said Company, at their meeting begun and held at Pekin, in Tazewell County, Illinois, on the 26th day of November, A. D. 1858; and that all the members of the Board (except William Thomas) were present at said meeting, and voted for said preamble and resolution.

IN TESTIMONY WHEREOF I have hereunto subscribed my name and affixed the Seal of said Company,
[SEAL OF THE COMPANY.] at my office in Virginia, this 27th day of November, A. D. 1858.

M. H. L. SCHOOLEY,
Sec. Ill. Riv. R. R. Co.

LETTERS FROM GEO. T. M. DAVIS, ESQ.

NEW YORK, *Dec. 9th*, 1858.

A. STUDWELL, Esq.,

Financial Agent and Permanent Treasurer of
Illinois River Railroad Company.

DEAR SIR:—From a residence of eighteen years in Illinois, which commenced in 1832 and terminated in 1850, I am enabled to speak with great confidence of the advantages and benefits to arise from the construction of the Illinois River Railroad.

It traverses five of the best counties in that State, four of which stand pre-eminent as stock and grain producing counties. The completion of this road opens to the Chicago market this rich and productive section of the State, and from which important market, the large quantity of cattle, hogs, and cereals annually grown in those counties, has heretofore been in great part excluded.

A careful examination of the Report of the Chief Engineer, satisfies me that his estimates in all these respects are *under*, rather than *over* what actual results will show.

The completion of the Jacksonville and Alton road, thirty miles of which is now ready for the rails, and which is virtually an extension of the Illinois River road, will also open to the Chicago market the entire southern portion of Morgan county, and the whole of the counties of Jersey and Green, that are now without any railroad facilities, and which take rank as stock and grain producing counties, with those traversed by the Illinois River Railroad; thus securing to this road, in addition to the through travel, a monopoly of a large and lucrative local traffic, that cannot be excelled by any other road in Illinois, either completed, in course of construction, or contemplated.

An unusually economical and advantageous operation of the Illinois River Railroad has been secured for the period of twenty years, by the terms of the running contract it has made with the Chicago and Rock Island Road, and under which your road is to be operated by the experienced and popular executive officers of the Rock Island Road ; while that road at the same time will be largely benefitted by the connection.

I have purchased all the rails, chairs, and spikes, for cash, and upon most advantageous terms as to price, the saving on the rails alone being equal to five dollars a ton, even at the present market rates. The quality of all the material is guaranteed to be the best.

The first-mortgage ten per cent. bonds have been made a first class security, so far as human sagacity and experience could accomplish that result.

By the unanimous vote of the Board of Directors, and with the concurrence of a decided majority of the stockholders, the *entire net revenues* of the road are *irrevocably* pledged as a Sinking Fund for the redemption of the First-Mortgage Bonds.

A DEPRECIATION FUND of ten per cent. of the revenues of the Road is *irrevocably* set apart to meet the repairs and re-tracklaying upon the Road, thereby guarding against the contingency of any floating debt. Both this and the foregoing provision as to the *entire net revenues* of the road, constituting a sinking fund, are new and most important features in the railway system of the United States.

It is made *compulsory* on the part of the trustees to *exhaust* the Sinking Fund each year, in redeeming the bonds ; and equally *compulsory* on the bondholders to surrender such of their bonds annually as shall be designated by lot for payment.

It is made the express duty of the trustees, so to cancel and mutilate each bond and the coupons thereto attached, as they are redeemed, as to prevent the possibility of their being again disposed of, or put in circulation, or used in any other way, after they have passed from the hands of the trustees.

The bonds, by express covenants in the Deed of Trust, as well as the property mortgaged to secure their payment, are placed beyond the operation of all stay laws, stop laws, valuation or

redemption laws, that may now exist, or may hereafter be enacted by the State of Illinois.

In addition to the entire net revenues of the road, the right is secured to the Company, by the Deed of Trust, to issue to a limited extent a second-mortgage bond, and to apply the proceeds in augmenting the Sinking Fund for the purpose, among other things, of redeeming the First-Mortgage Bonds.

The road will be entirely completed, including ballasting and fencing, *without being in debt a dollar for any purpose*, except its bonded debt of One Million and Twenty Thousand Dollars.

It will have been built for less than twenty-two thousand dollars a mile, *including every thing* [even including the *actual* discount in the sale of the Bonds], owing to most of the work being accomplished and the material for the superstructure purchased *at the late panic prices*.

No act has been done or performed by the Board of Directors, that has not been done or performed under the clearest *expressed* powers delegated to them by their charter.

And, finally, under the most unfavorable view that can be taken, it will require but ten years' time to redeem and cancel the entire issue of the First-Mortgage Bonds, without exercising the right to issue a limited amount of Second-Mortgage Bonds, and to apply the proceeds of their sale to the Sinking Fund.

The above, among others that might be assigned, are the reasons that govern me in the expression of the opinion that the First-Mortgage ten-per-cent. bonds of the Illinois River Railroad Company are as safe and thoroughly a protected railroad security as has ever been issued in the United States.

Yours, respectfully,

GEO. T. M. DAVIS,

47 EXCHANGE PLACE.

543
90
42
35
100
900
250
11960 26
Ballast & Fencing
from
Conts
250 from Am. Bonds - Steals

NEW YORK, *December 13th*, 1858.

R. S. THOMAS, ESQ.,

President of Illinois River Railroad Company.

DEAR SIR:—In answer to your inquiry as to what assurances I can give you of the *quality* of the rails I have purchased for your road, I beg leave to reply that they are manufactured by the Derwent and Consett Iron Company, and H. Crawshay & Co., of the Newcastle district, on the North-eastern coast of England.

The rails from this district rank next to the Staffordshire rails, which are the best that are manufactured; and both command for the Continental markets a much higher price than the best quality of Welsh rails.

The high price of these English rails over the Welsh, has excluded almost entirely the use of the former from the United States. The only roads in this country, that I know of, which have used the rails of the brand that yours is, are the Illinois Central, the New York and Erie, and the Grand Trunk of Canada. All these great thoroughfares have the highest opinion of the English rails from the Newcastle district.

On the continent, as I have already observed, the preference, even at a much higher price to be paid, has been given to the English rails of the same brand as yours, over the Welsh rails.

The Crimean Railway, at Balaklava, constructed by Messrs. Peto, Brasey & Betts, during the Russian war, was laid with rails of the same make as yours, the preference being given to them, on account of their superior tenacity and great durability. The Russian Government, after the restoration of peace, purchased these rails, and have since contracted for THIRTY THOUSAND tons more, for the Riga and Dummaburgh Railway, now in course of construction. The same manufacture of rails has also been freely used with entire satisfaction upon the Grand Russian Railway, the Prague Railway, the Dieppe and Paris Railway, the Naples and Castlemare Railway, and the Rome and Frascati Railway.

In England, they have also been largely used and highly

approved, by the North Eastern Railway, upon which is the heaviest coal and iron traffic in England, amounting to between two and three million tons per annum ; the North British Railway, the Blythè and Tyne Railway, the Newcastle and Carlisle Railway, the London and North Western Railway, the London and Dover Railway, and the London, Brighton and South Coast Railway, between London and Brighton, and upon which the quickest time is made in England, their express train making from 50 to 53 miles per hour.

The same rails of the kind have also been purchased and laid upon four of the principal railways in Spain.

Satisfactory evidence was furnished me by the highly respectable firm, in Newcastle-on-Tyne, from whom I purchased your rails, of their use by all the above named railways as herein represented, previous to my closing the contract with them on your account. And the very fact that the most important railways of England, Russia, France, and Spain have given the preference to this English rail over the Welsh rail, fully justified the assurances given me by the sellers, that they were furnishing the Illinois River Railroad *with a better quality of rail than was usually imported into the United States*, or that is in the most general use upon our railroads.

Yours truly,

GEORGE T. M. DAVIS

47 EXCHANGE PLACE.

ILLINOIS CORPORATIONS

PROHIBITED FROM INTERPOSING THE DEFENSE OF USURY.

SECTION 1. That no corporation shall hereafter interpose the defense of usury in any action.

SEC. 2. The term corporation, as used in this act, shall be construed to include all associations and joint stock companies, having any of the powers and privileges of corporations not possessed by individuals or partnerships. *Session Laws of Illinois, Feb. 11th, 1853, p. 34.*

ILLINOIS LAW GOVERNS CONTRACTS, BONDS, &c.,

MADE IN THAT STATE ALTHOUGH MADE PAYABLE IN FOREIGN STATES
OR COUNTRIES.

SECTION 1. That it shall be lawful for any person or corporation borrowing money in this State, to make notes, bonds, bills, drafts, acceptances, mortgages or other securities, for the payment of principal or interest, at the rates authorized by the laws of this State, payable at any place where the parties may agree; although the legal rate of interest in such place may be less than in this State; and such notes, bonds, bills, drafts, acceptances, mortgages or other securities, shall not be regarded or held to be usurious; nor shall any securities taken for the same, or upon such loans, be invalidated in consequence of the rate of interest of the state, kingdom or country where the paper is made payable, being less than in this State, nor of any usury or penal law therein.

SEC. 2. No plea of usury nor defense founded upon an allegation of usury, shall be sustained in any court in this State, nor shall any security be held invalid on an allegation of usury where the rate of interest reserved, discounted or taken, does not

exceed that allowed by the laws of this State, in consequence of such security being payable in a state, kingdom or country, where such rate of interest is not allowed.

SEC. 3. It shall be lawful for all parties loaning money in this State, to take, reserve or discount interest upon any note, bond, bill, draft, acceptance, or other commercial paper, mortgage or other security, at any rate authorized by the laws of this State, whether such paper or securities for principal or interest be payable in this State or in any other state, kingdom or country, without regard to the laws of any other state, kingdom or country; and all such notes, bonds, bills, drafts, acceptances, or other commercial paper, mortgages or other security, shall be held valid in this State, whether the parties to the same reside in this State or elsewhere.

SEC. 4. All laws or parts of laws inconsistent with this act, are hereby repealed. *Session Laws of Illinois, Feb. 16, 1857, p. 33.*

OPINION OF JOHN CLEAVELAND, ESQUIRE.

I HAVE examined the Charter of the *Illinois River Railroad Company*, and the several acts of the General Assembly of the State of Illinois, amendatory thereof, or in addition thereto; and I fully concur with the HON. S. T. LOGAN in the opinion that said corporation has the power to borrow money; and for that purpose is authorized to issue and sell its bonds.

By the fifteenth section of its charter (the act of February 11th, 1853), said corporation is expressly authorized to borrow such sum or sums of money as may be *necessary* for completing, finishing, or operating its railroad; and also, to issue and dispose of its bonds, bearing an interest not exceeding seven per cent., for any amount so borrowed, and to mortgage its corporate property and franchises for the payment of any debt so contracted for the purposes aforesaid. By the same section, all *sales* of said bonds, made at a less rate than their par value, are declared to be as good, valid, and binding upon said corporation as if they had been sold for the full amount thereof.

In 1857, the General Assembly of Illinois enlarged the powers of the above-named corporation. By the second section of the act of January 29th of that year, it was expressly empowered to issue its bonds, bearing an interest not exceeding *ten per cent.* for such an amount as may be *necessary* to complete its railroad, and to put the same in full operation; and to sell said bonds at par, or on such *other* terms as said corporation *may agree on*. By the fourth section of the last-mentioned act, express authority is conferred upon said corporation, by mortgage or deed of trust, to convey or pledge all or any part of its corporate property and franchises, to secure the payment of such bonds *as it may issue*,

or such sums of money as it may agree to pay for any purposes connected with the construction or operation of its railroad.

I have examined the proceedings and resolutions of the *Board of Directors* of said corporation, authorizing the issue of 1320 bonds, and the execution of a mortgage or deed of trust to secure their payment; and I am of opinion that the issue of said bonds, and the making of the said mortgage or deed of trust, were duly authorized, ratified, and confirmed by the proceedings and resolutions of said *Board* at legally convened meetings, held on the 8th of October and the 20th of November, 1858; and that such bonds are legal and binding obligations upon and against said corporation, and that their payment is secured by a valid first mortgage upon all the corporate property and franchises of said corporation.

Additional security for the payment and ultimate redemption of all said 1320 bonds is provided by means of a running arrangement, already made by said corporation, with the Chicago and Rock Island Railroad Company.

It is covenanted by and on the part of the *Illinois River Railroad Company*, in said mortgage or deed of trust, that said running arrangement, so long as any of said 1320 bonds are outstanding and unpaid, shall not be abrogated, or altered, or changed, so as to divert the payment of the net earnings of said railroad, as therein provided, unless the consent of the trustees, named in said mortgage, shall be first obtained therefor.

By the agreement with the Chicago and Rock Island Railroad Company, and by the said mortgage or deed of trust, the *entire net earnings* of the Illinois River Railroad are irrevocably pledged and appropriated to the purpose of creating and maintaining two *funds*. One to be denominated a "Depreciation Fund," and the other a "Sinking Fund."

The estimates of the Chief Engineer as to the net revenues of said railroad,—confirmed as they are by the independent and wholly unbiassed judgment of *J. Collins Chesbrough*, Civil Engineer,—seem to leave no reasonable doubt that the *Sinking Fund*, provided for as aforesaid, must be adequate to the payment and redemption of all said 1320 bonds within a period of ten years. The contract with the Chicago and Rock Island Railroad Company furnishes the security or guaranty of that well-

known and wealthy Railroad Corporation, that the Illinois River Railroad, upon its completion, will not only be put in immediate and full operation, but that its entire net earnings will be promptly deposited with the *Importers and Traders' Bank* in the city of New York to be applied to the sole purpose of creating and maintaining the two *funds* already mentioned.

It is difficult to conceive how a railroad bond can be more effectually guarded and secured than are the 1320 first-mortgage bonds of the *Illinois River Railroad Company*. While security to the holders of these bonds is primarily provided for by the mortgage, contracts, and arrangements aforesaid, the ultimate rights and interests of the shareholders are, thereby, at the same time, fully protected.

NEW YORK, DEC. 14TH, 1858.

JOHN CLEAVELAND,
No. 38 Wall Street.

